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Algeria	6.00	Den.	115	Bel.	100	Chen.	6.00	Ind.	120
Angola	20	S. Korea	115	Port.	120	Iran	120	Spain	120
Austria	120	Sw.	120	Qatar	6.00	Italy	120	U.S.	120
Bahrain	6.00	Taiwan	120	U.A.E.	120	Japan	120	Vietnam	120
Bangladesh	120	Thailand	120	Yemen	120	South Africa	120	Zimbabwe	120
Belgium	120	China	120	Yugoslavia	120	U.S.A.	120		
Brazil	120	France	120						
Canada	120	Germany	120						
Cuba	120	Greece	120						
Czechoslovakia	120	Hong Kong	120						
Denmark	120	India	120						
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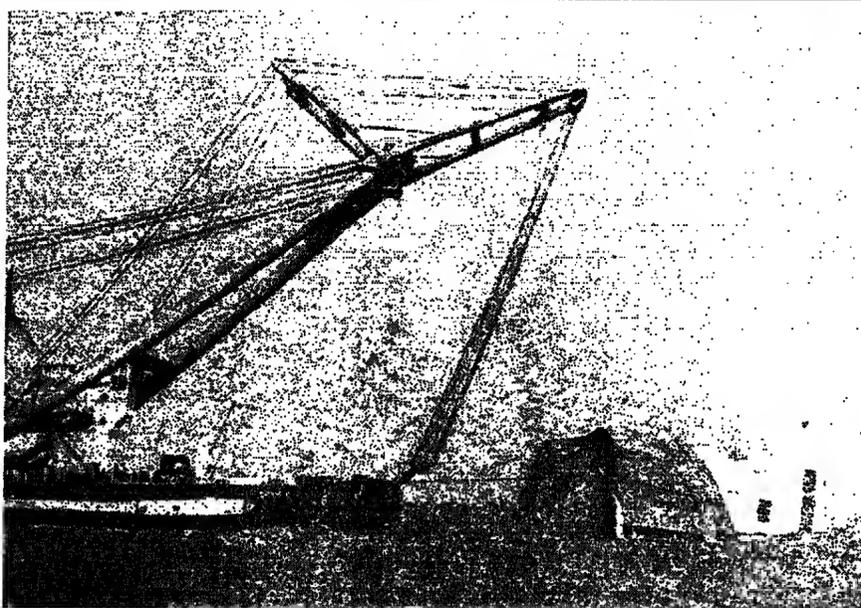
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PARIS, TUESDAY, MARCH 10, 1987

ESTABLISHED 1887

Investigators Expect Criminal Charges In Iran-Contra Case

By Philip Shenon
New York Times Service
WASHINGTON — Investigators working for the special prosecutor in the Iran-contra affair expect to bring indictments and are studying a broad range of criminal charges against current and former government officials, according to law enforcement officials with knowledge of the investigation.
They said the investigators were focusing on at least three specific felonies: conspiring to defraud the government, obstructing justice and making false statements to the government.
The officials said the special prosecutor, Lawrence E. Walsh, had not ruled out anyone as sus-



Salvage Operations Are Prepared for Capsized Ferry

A barge bearing a salvage crane was positioned Monday beside the Herald of Free Enterprise in the harbor of Zeebrugge, Belgium. Operations to refloat the ship and seek to recover up to 81 bodies are expected to begin this week. Also Monday, Britain announced a public inquiry into the disaster and established a \$1.58 million fund for survivors and families of victims. Page 6.

Chrysler Seeks Renault Share of AMC in Buyout

Compiled by Our Staff From Dispatches
DETROIT — Chrysler Corp. said Monday it had agreed with the French automaker, Renault, to acquire American Motors Corp. in a transaction valued at about \$1.5 billion.
Renault owns 46.1 percent of AMC's common stock and has effectively controlled the company since 1979. Chrysler will also offer to acquire AMC stock in other hands.
The proposed merger would unite the two smallest of the four U.S.-based auto companies and give Chrysler a continuing relationship with Renault, one of Europe's largest auto companies.
Based on last year's results, the acquisition of AMC would boost Chrysler's share of the combined car and light truck market in the United States from 11.7 percent to 13.4 percent, still leaving it well behind Ford Motor Co., which had 21.2 percent, and General Motors Corp. at 38.5 percent.
But the transaction would also give Chrysler the highly profitable deep line of off-road vehicles to broaden its model lineup. AMC's new assembly plant in Bramalea, Ontario, and 1,400 additional dealers.
Lee A. Iacocca, the chairman of Chrysler, said in a statement that "we believe our decision to acquire American Motors is right for both companies, not just for the immediate future, but even more so for the long haul. It'll strengthen both of us in what's already become a tough market."
The announcement comes after months of speculation that Chrysler, which is to build one of its car lines in an AMC plant, would make some sort of offer for the company, which has been unprofitable in recent years.
In the fourth quarter of 1986, AMC earned its first profit in two years, but in the past six years, it has posted losses totaling \$838.6 million.
Renault, which has financial problems of its own, had indicated a willingness to discuss AMC, but talks were apparently disrupted by the assassination of Georges Besse, the Renault chairman, last November.
Under the terms of the arrangement, Chrysler will give Renault \$200 million in 10-year, 8 percent notes and other payments of up to \$350 million based on AMC's performance. In addition, Chrysler will pay \$35 million in cash for a half interest in American Motors Financial Corp. and will assume \$767 million of AMC debt.
Chrysler will also offer Chrysler stock valued at \$4 for each AMC share in public bonds, which



Lee Iacocca

Trade Battle Looms for U.S., Japan

By Clyde H. Farnsworth
New York Times Service
WASHINGTON — The United States and Japan are headed for their most serious trade confrontation of the postwar period, government officials and many private analysts believe.
Frustrations have simmered attitudes on both sides of the Pacific, making compromise less likely on a whole range of issues from semiconductors and supercomputers to the awarding of contracts for an \$8.5 billion airport construction project at Osaka.
"This may be the year in which the string runs out on Capitol Hill," said the U.S. trade representative, Clayton K. Yeutter. "The level of frustration with Japan is higher than I have ever seen it."
Although President Ronald Reagan would probably veto legislation forcing trade retaliation against Japan, Mr. Yeutter warned in an interview that a veto could become "irrelevant" if such a move were approved overwhelmingly, as is now indicated.
The resentment is fed by the widening trade imbalance. Last year's deficit in merchandise trade with Japan was \$58 billion, about one-third of the overall United States trade deficit of \$170 billion. Some analysts believe that the figure could get even bigger this year.
"Japan is not going to get a sympathetic audience from anybody in the U.S. or from anybody in the world," said Senator John C. Danforth of Missouri, the ranking Republican on the Senate Finance Committee.
Representative Marcy Kaptur, Democrat of Ohio, said: "There is a hardening inside the Congress. The point has been reached where people want us to take strong action. I think the Japanese are laughing behind their hands wondering why we didn't do anything a lot earlier."
But Japanese resistance to U.S. trade demands is also strengthening, mainly because the dramatic fall of the dollar against the yen has hurt Japan's export industries and has brought a new phenomenon to the country: rising unemployment.
Japan reported last week that unemployment rose in January to 3 percent, the highest level since monthly reporting began in 1953.
Although this is less than half the U.S. jobless rate, the Japanese figure has caused a deepening anxiety that is reflected in less resilient Japanese positions at the trade bargaining table. The figure means that nearly 2 million workers are unemployed.
One of the big worries is that an overseas expansion by Japanese corporations is leading to a "hollowing out" of the industrial base in Japan. A recent report in Tokyo predicted that domestic employ-

Pretoria's Party Rebels List Demands

By William Claiborne
Washington Post Service
JOHANNESBURG — Three National Party breakaways at theanguard of a growing white rebellion against President Pieter W. Botha's government demanded Monday that black politics in South Africa be freed so that negotiations for power sharing may begin and a timetable for the repeal of apartheid laws be established.
In their first joint statement in the campaign for the May 6 parliamentary elections in which only whites are eligible to vote, the three National Party defectors said there is still time to achieve a "common vision" for a nonracial South Africa, held by a moderate majority that crosses color lines. It was the most explicit blueprint for racial reform offered by any of the independent candidates.
In order to achieve the goal, the three declared, restrictions against black political organizations must be lifted, even though the state of emergency should be retained in order to maintain stability during a "transition period."
The independent candidates who issued the demands are Denis Worrall, the former South African ambassador to Britain; Wyland Meehan, a member of Parliament, and Esther Lategan, a longtime National Party supporter who is running for a Parliament seat in the Cape Province university town of Stellenbosch, the intellectual seat of Afrikaner nationalism.
All three have resigned from Mr. Botha's ruling National Party in the most serious splintering of Nationalist solidarity since the party was formed in 1948. They have been joined by 30 leading academics, dozens of veteran party workers and some prominent Afrikaner journalists in a growing revolt against what is viewed as the slow pace of reform.
The leaders of the new independent movement declared that "the time is past when governments could unilaterally pursue reform." They said that all political parties, See REBEL, Page 6

Early Deployment Said to Harm SDI Goal

By William J. Broad
New York Times Service
NEW YORK — The push for early deployment of a rudimentary defense against nuclear missiles is speeding up some areas of weapons research but hurting others, threatening to delay progress toward the long-term goal of protecting the nation from enemy attack, according to leading scientists in the Reagan administration's anti-missile program.
They say budget shifts have slowed research on lasers and particle beams, the centerpiece weapons of President Ronald Reagan's Strategic Defense Initiative, and have upset planning for research, personnel and facilities.
Federal weapon laboratories, where scientists express a growing sense of frustration, have been especially hard hit by the changes. One of the leaders in research, exploring futuristic anti-missile arms, the laboratories are now lagging behind.
Pentagon officials who direct the SDI project, which is also known as "star wars," assert that any delays or disruptions in progress toward the full panoply of SDI technologies result from congressional budget cuts, not shifts in the administration's goals.
But in interviews, leading scientists at the weapon laboratories said congressional jolts had been joined by aid sometimes dwarfed by shocks emanating from the top echelons of the anti-missile program.
William A. Barletta, a beam weapon official at the Lawrence Livermore National Laboratory in California, criticized the "institutional gyrations" and said a Livermore program to explore extremely powerful lasers had recently been cut "as pressures have mounted for early deployment."
Kinetic weapons, essentially traditional rockets without explosive warheads that are designed to destroy targets simply by smashing into them, have emerged as leading candidates for the first phase of anti-missile deployments.
More exotic beam weapons, fighting at or near the speed of light, had been early candidates for anti-missile systems. These included such devices as X-ray lasers, chemical lasers, particle beams and free-electron lasers, whose highly concentrated beams have the potential to be far more powerful than any conventional laser.
The overall anti-missile program, Mr. Barletta added, "has the flavor of having a new twist in priorities every few years."
"That does not aid the cause of serious, stable research," he said.
George H. Miller, head of weapons development at Livermore, said that delays were threatened in overall anti-missile goals because of shifting priorities.
"I'm very concerned about the ability of this country to keep the required pace," he said. "The question is whether the public, the administration and Congress can come to a consensus about what they want to do and keep it going long enough to get answers."
Livermore, the top anti-missile contractor among the federal laboratories, pioneers beam technologies whose application might be years or even decades away.
Gerold Yonas, the former chief scientist of the Strategic Defense Initiative Organization, criticized the anti-missile program, as well as some members of Congress, for seeking quick results and "instant gratification."
The shifts, he said, "make you See ARMS, Page 6

In China, Power Feud Threatens Reform

By William Drozdiak
Washington Post Service
BEIJING — China's ambitious economic reform program, designed to propel one billion citizens into the modern age, appears to be stalled because of a serious power struggle over the future political identity of the country.
Two months after a coalition of forces opposed to radical change succeeded in removing the Communist Party chief, Hu Yaobang, senior government leaders have sought to project an image of stable consensus in an effort to calm foreign investors as well as a population still traumatized by the chaotic Cultural Revolution that was extinguished only a decade ago.
Behind these conservatives are what some analysts call the passive Chinese majority. This includes perhaps most of the 800 million people who do not like to see disruptive change in their lives and have made their peace with a socialist system that provides them with security.
Other potential allies in their fight against Mr. Deng's ideas are inhabitants of the inner provinces, which generally have not kept up with the growing affluence in the coastal and capital regions that benefit most from commerce.
The ideological tug of war seems bound to intensify and will probably not be resolved until the 13th Communist Party Congress is held this autumn, according to Chinese officials, editors and students interviewed during a week's travel through China.
The conservatives have displayed enormous influence in the party-run media by opening a string of articles, See CHINA, Page 6

Europe Braces for AIDS Emergency

Cases Double Every 11 Months; U.S.-Like Pattern Emerges
By Richard Bernstein
New York Times Service
PARIS — A story, not all that unusual in Europe these days, is told by Jean-Paul Escande, a doctor who heads the AIDS clinic at Tarnier Hospital in Paris.
Dr. Escande told of a married woman who was both pregnant and addicted to heroin.
"She begged, and I believed also, that she could have overcome her habit if she had a baby," he said. "But she tested positively for the AIDS virus."
"And so," Dr. Escande said, "there was the tragedy of AIDS."
Here was someone, he said, "who could have saved herself by gaining the motivation to overcome her drug habit, and I had to advise her to have an abortion, because the chances were just too great that her child would have died within a few months of birth."
He added that, on average, one child infected by the acquired immune deficiency syndrome virus was being born every day in France.
The AIDS epidemic, which once seemed to affect Africa and the United States far more severely than the rest of the world, has hit hard in Western Europe in the last year or so. Medical experts now expect the disease to become a major public health emergency, as it has in the United States.
Some 4,000 West Europeans are now reported to be sick with AIDS, and although they represent only a fraction of the 31,000 cases already reported in the United States, the number of people coming down with AIDS in Europe is doubling every 9 to 11 months. At the end of 1985, the known AIDS cases in the 12 nations of the European Community numbered 232, compared with 3,354 at the end of 1986.
France, with 1,221, has the most cases, according to the World Health Organization. West Ger-



SNOW TAKES GREECE BY STORM

Children played on Filopappou Hill opposite the Acropolis in Athens on Monday after a snowstorm crippled the city, closing schools and disrupting telephone services and transportation, including international flights. It was the sixth day of snow in a week, and snow was 10 feet deep in some areas. The island of Rhodes also had its first reported snowfall. Snow was expected again Tuesday.

Poland, Vatican Closer to Ties

WARSAW (AP) — Cardinal Jozef Glemp, the Polish Roman Catholic primate, said Monday that Poland's Communist government and the Vatican were close to reaching agreement on the establishment of diplomatic relations.
Cardinal Glemp, returning from a trip abroad that included the Vatican, said that "a wish to that effect has been clearly expressed by the Polish Episcopal Conference and the Vatican, and by the Polish authorities."
INSIDE TODAY
GENERAL NEWS
■ An Israeli committee will conduct an inquiry into the Poland espionage affair. Page 2.
■ Racial incidents are increasing on U.S. campuses. Page 3.
BUSINESS/FINANCE
■ Britain's leading banks cut base lending rates a half-point to 10.5 percent. Page 9.

Saucer-Season Tales Explore Not-So-Alien Territory

By Curt Supple
Washington Post Service
WASHINGTON — Heads up. They're here. Again.
After a 10-year lull in public interest about UFOs, 1987 appears to be the Year of the Saucer.
Three reputable publishers — Random House, Morrow and Atlantic Monthly Press — are releasing major nonfiction accounts of humans contacted, abducted or tortured by extraterrestrials.
Popular infatuation with the unidentified flying object sighted by a Japan Air Lines pilot in November has grown, putting the Federal Aviation Administration into the mail-order business.
To meet the demand, the agency is selling information packages at \$194.30 each that contain tapes of the crew, statements by air controllers, the pilot's drawings and color photographs of radar images.
"Our membership has gone up 10 percent in the past two months," said Walt Andrus, international director of the 1,500-member Mutual UFO Network in Seguin, Texas. "And our mail has doubled. People are realizing that there is something to this after all."
"It has been building for quite a while," said Bruce Maccabee, a navy research physicist and chairman of the Washington-based Fund for UFO Research.
The new books, he said, will provoke "an outcry for more information" from a public. "The negativists haven't realized what's going on yet."
In the 1950s, when saucers had fins like Edsels and space folks acted like intergalactic Jaycees, a self-proclaimed abductee named Buck Nelson sold packets of fur at \$5 each. He said they came from a Venusian Saint Bernard weighing 385 pounds (175 kilograms).
Another self-styled contactee, Howard Menger, explained on television how easy it was to breathe on the moon and subsequently cut a record entitled "The Song From Saturn." It was, he said, "actual music that came from another planet."
But that was 30 years ago. The new books provide a more lugubrious forecast.
Whitley Strieber, the novelist who wrote "Warday," "The Hunger" and "The Wolfen," came out last month with "Communion," a gruesome "true story" of how he and his family were repeatedly tormented by creatures he calls The Visitors.
It includes such interludes as needles stuck into the brain, a thin probe shoved through the nostril to the temporal lobe and other manifestations of what Mr. Strieber assumes is a form of interspecies research.
With his son haunted by night terrors and his marriage crumbling, Mr. Strieber turned to neurology, psychiatry and hypnosis. Still the horrors persisted, forcing him finally to regard The Visitors as somehow real, even to find a grudging empathy for their purposes.
He says he was not keen to write the book until he saw the "human suffering" after meeting several similarly afflicted persons through Budd Hopkins, a leading investigator of abduction claims and the author of another saucer-season volume.
Publishers were equally reluctant. Of the 13 houses to which he submitted the manuscript, five, he said, "turned it down with See UFO, Page 6

Israel Intelligence Panel Plans Investigation of Pollard Espionage Case

Jerusalem — A Knesset subcommittee will conduct a thorough examination of the Jonathan Jay Pollard espionage case, the Knesset said Monday.

Mr. Eban, chairman of the Security and Foreign Affairs Committee, made the announcement after Prime Minister Yitzhak Shamir refused to answer questions at the parliamentary committee meeting on Monday.

Mr. Shamir, who has rejected calls for a complete investigation of the case, said Monday that the "growing hysteria" in Israel could pass on to the United States as well.

But, Mr. Eban told Israel Television Monday night, the Foreign Affairs subcommittee on intelligence matters would look into the Pollard case.

"We see a need to conduct a complete clarification," Mr. Eban said. "It is this committee's obligation to supervise and inspect the government's functions."

Mr. Shamir's aides said that Defense Minister Yitzhak Rabin will brief the intelligence subcommittee on the case on Thursday. The full Knesset will respond Tuesday to three votes of no confidence in the government, and the 10-member inner cabinet will discuss the case on Wednesday.

Mr. Pollard, 32, a former U.S. Navy intelligence analyst, was sentenced last week in Washington to life in prison for passing hundreds of classified U.S. documents to Israel.

It is not clear what the scope or significance of a Knesset subcommittee's inquiry might be, but it is not equivalent to a judicial com-

mission of inquiry that has the power to subpoena witnesses.

Meanwhile, Trade Minister Ariel Sharon said Monday that Israel has given the United States far more intelligence information that it has received and should hold steadfastly to its position regarding the Pollard case.

"Israel, contrary to what has been said, does not get from the United States all the information it needs, certainly not. She gets a very small portion," he said, adding, "If we compared what we gave against what we got over the years, we gave much more, and in more important spheres, than we received."

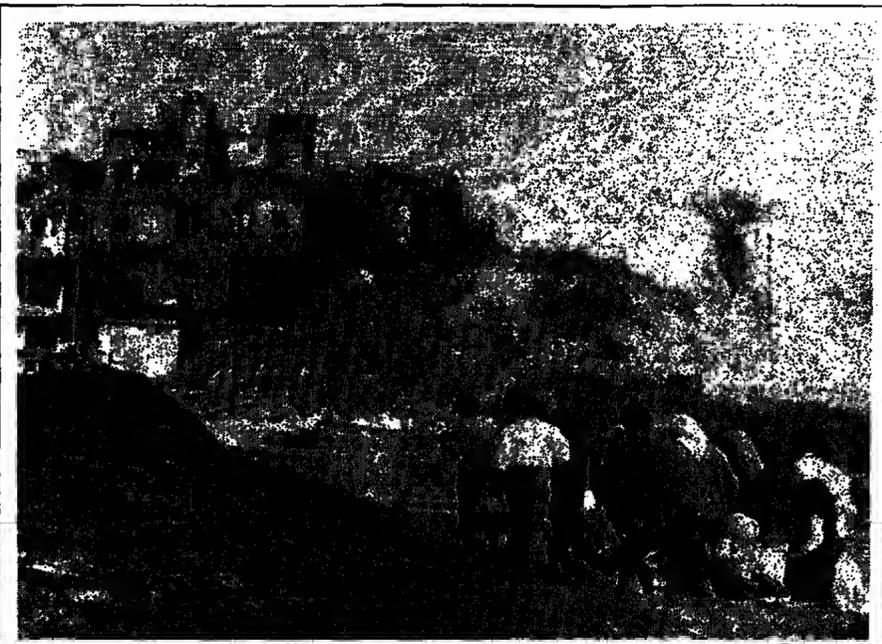
Israel has said that spying on the United States runs counter to Israeli policy and principles, and that Mr. Pollard was part of an unapproved "rogue" operation.

Yet, one of Mr. Pollard's alleged "handlers," Air Force Colonel Aviem Sella, was recently named to head one of the country's largest air force bases. Another of his directors, Rafael Eitan, a veteran of the espionage service, was appointed last year to head Israel Chemicals Ltd., a government company.

Mr. Shamir said Sunday that both Mr. Eitan and Colonel Sella, who was indicted last week in the United States for his role in the spy case, have been punished enough.

"I don't know if they will understand such a thing in the United States, but Aviem Sella was a serious candidate for the job of air force commander," Mr. Shamir said. "If he lost this chance, and he has lost it, it is a considerable blow."

Mr. Eitan's punishment was being distanced from intelligence work, Mr. Shamir added.



Palestinian women and children walking back with much-needed food to the besieged refugee camp of Burj al-Brajneh south of Beirut on Monday. The Palestinian command at the camp, however, later ordered women and teen-agers not to leave to get provisions after at least five women were killed in repeated gunfire attacks.

Berri Is 'Optimistic' Over Release of 4 Hostages

Beirut — The Shiite Moslem militia leader, Nabih Berri, said Monday that he was optimistic over the possible release of four foreigners kidnapped by militants in Lebanon.

He also said speculation over the fate of Terry Waite, the Church of England envoy who was reported abducted in West Beirut on Jan. 20, had delayed the Briton's release.

"I am optimistic. It will take a little time, but I'm sure we will arrive at a happy solution," Mr. Berri said after meeting the wives of four foreign professors — three Americans and an Indian — who were abducted from a West Beirut university campus on Jan. 24.

Mr. Berri, for the second time in a week, renewed his offer to swap an Israeli airman captured by his Amal militia in October for 400 Lebanese and Palestinians held by Israel if the kidnappers free their four captives.

WORLD BRIEFS

Libya, Chad Holding Talks in Sudan

Khartoum, Sudan (AP) — A Sudanese official said Monday that peace talks between Libya and Chad were being held in Khartoum.

Prime Minister Sadek el-Mahdi of Sudan said negotiations had been going on for two days, but refused to say if there was any progress. He said the outcome of the talks would not be announced until the delegations had consulted with officials in their countries.

Mr. Mahdi also said Sudan was urging parties in the Chad fighting to stop using Sudanese territory and air space. Sudan has been trying since January to mediate the Chad conflict.

U.S. High Court Widens Asylum Law

Washington (AP) — The Supreme Court ruled Monday that the government should grant asylum to illegal aliens who have "a well-founded fear" that they will be persecuted if forced to return to their homeland.

By a 6-3 vote, with the chief justice, William H. Rehnquist, in the minority, the justices rejected a Reagan administration appeal in the case of a Nicaraguan woman living in Nevada who said the Sandinistas would persecute her if she goes back to her native country. The administration, in appealing to the Supreme Court, said it could be forced to reopen thousands of cases in which asylum has been denied. In addition, the administration said, there are some 11,000 new asylum cases each year.

Justice John Paul Stevens, writing for the court, said "a well-founded fear" of persecution is easier for illegal aliens to demonstrate than "a clear probability" that persecution will occur. "To show a well-founded fear of persecution an alien need not prove that it is more likely than not that he or she will be persecuted in his or her home country," Justice Stevens said. "It is clear that Congress did not intend to restrict eligibility for those who could prove that it is more likely than not that they will be persecuted if deported."

Andreotti Asked to Form Government

Rome (Reuters) — President Francesco Cossiga on Monday asked Giulio Andreotti, a Christian Democrat and foreign minister in the outgoing cabinet, to try to form a new government despite strong opposition from the Socialists to his nomination.

After almost a week of consultations on how to resolve the crisis caused by the resignation last Tuesday of Bettino Craxi, the Socialist prime minister, Mr. Cossiga nominated Mr. Andreotti, 68, as prime minister-designate, government officials said. Mr. Craxi's resignation was hinged on continuous disputes among the coalition partners, mainly between the Socialists and the Christian Democrats.

The government officials said that Mr. Andreotti would wait until he had ascertained whether he could form a new team before officially accepting, a normal procedure in Italy. He made it clear that he would try to put together a government on the same basis as the outgoing coalition of Christian Democrats, Socialists, Republicans, Liberals and Social Democrats.



Giulio Andreotti

Reagan's Communications Aide Quits

Washington (AP) — John O. Koehler resigned Monday as the White House communications director, after one week in the position, at the request of Howard H. Baker Jr., the new White House chief of staff.

Mr. Koehler, in announcing his departure, said Mr. Baker needed "to have his own team." He added, "A new general manager of an important enterprise must be totally comfortable with his staff." He said he would resume work as a private consultant.

Mr. Koehler was hired to replace Patrick J. Buchanan in the communications post in the final days of Donald T. Regan's tenure as chief of staff. He said Monday that his departure was not linked to disclosures that at age 10 in Germany he had belonged to a Nazi youth group for six months.

For the Record

Hooded men shot and seriously wounded a Spanish Army lieutenant, José Manjón, on Monday as he left his home in Vitoria, Spain. Police said they suspected guerrillas of the Basque separatist group ETA, a Basque language acronym for Basque Homeland and Liberty.

The U.S. Army and Genetex Corp. of Carbonada, Pennsylvania, have resolved their differences over combat helmets manufactured by the company. The helmets were first determined to be substandard, but the Defense Logistics Agency later issued a statement following "detailed examination and testing" that the helmets were acceptable. (NYT)

4 Captured After Attack On Home of Chirac Aide

Paris — Two gunmen fired on police guarding the home of a senior Gaullist politician on Monday but were caught, along with the driver of their getaway car, after a chase through Paris and a gunbattle in which two of the men were injured, the police said.

A woman believed to be an accomplice was arrested later. Name of the four arrested was identified.

A police official said one of the men claimed that the attack, outside the home of the first deputy mayor of Paris, Jean Tiberi, was an effort to obtain police uniforms.

The police said they had not es-

tablished any political link to the attack although this was being investigated. One report said that a gunman had told the police that the attack was carried out on behalf of the Direct Action urban guerrilla group, but police sources said that they discounted this version.

The police said later that the three men were students but they had not established their motive.

They said that Mr. Tiberi's name had been found recently on a list of Direct Action's intended targets, together with a description of his apartment. But they still ruled out any link to the guerrilla group.

Mr. Tiberi, who is also a National Assembly deputy, has taken over the mayoral duties of Jacques Chirac since Mr. Chirac became prime minister almost a year ago.

The attack occurred as police in the capital maintained heavy security after a Paris court on Feb. 28 handed down a life sentence to Georges Ibrahim Abdallah, a Lebanese charged with complicity in the murders of a U.S. and an Israeli diplomat and in an attack on another American official.

Supporters of Mr. Abdallah claimed responsibility for a series of bombings last September that killed 11 persons and French authorities received a number of threats that such attacks would resume if Mr. Abdallah was not treated leniently.

The attack on Monday took place at the Place du Pantheon in the city's Fifth Arrondissement, where Mr. Tiberi lives.

The police said the two gunmen, who were on foot, opened fire at 2:45 A.M. at two police officers on duty outside Mr. Tiberi's apartment building. The officers returned fire and went after the two men, who fled in a car.

Right Spreads Needles Become Lances in AIDS War

AIDS Panic, Greens Assert

Amsterdam — Parked next to a canal not far from the famed Rijksmuseum here is a burgundy bus equipped with a condom dispensing machine as well as trays of small plastic vials containing Methadone, the heroin substitute used in the treatment of drug addiction, and hundreds of syringes intended for people who have not overcome the habit.

The bus is designed in part to distribute Methadone, but also to enable heroin addicts who refuse to give up the drug to exchange their used syringes for new ones to avoid being infected by AIDS. The use of contaminated needles is considered a major factor in the spread of acquired immune deficiency syndrome.

The free exchange of needles, which began in the Netherlands two years ago in an effort to stop hepatitis B infections among drug addicts, is likely to become common elsewhere in Europe, as several nations are preparing to follow the Dutch model.

Yet, the free exchange of syringes for drug addicts also represents a difficult moral and political choice in Europe, as in the United States, where no such programs exist despite the seriousness of the AIDS epidemic.

For many West European health officials, common sense indicates that making safe hypodermic needles available will reduce the risk of infection among drug addicts.

The concern is fueled by statistics. In Italy, more than half of the 100,000 drug addicts are thought to be infected by the AIDS virus. In France, the incidence of infection is estimated at 30 percent.

Yet, the choice is made difficult by the existence of contrary or un-

certain evidence. There are some indications that the exchange of needles is not effective in stopping the spread of AIDS among drug addicts, while it does bear the risk of increasing drug addiction itself.

The debate is particularly sharp in Switzerland, where, after months of argument, pharmacies were given permission by the government late last year to sell syringes to anyone who wanted to buy one.

"Our teams of volunteers know that free syringes help to slow down the rate of infection," said Roger Staub, the head of a private group that helps AIDS victims. "I am sure of this. Our policy is that every addict should have his own syringe."

The chief medical officer of Zurich, Gonzague S. Kistler, opposed the new regulation, contending that there was little convincing proof relating the distribution of syringes with an actual slowing of the spread of the AIDS virus.

Dr. Kistler, repeating an argument heard elsewhere in Europe, said that in Italy large numbers of drug addicts were infected with the AIDS virus, even though syringes had been available in pharmacies there for years.

Despite the mixed evidence, however, several European governments are adopting such programs.

Britain has decided to go ahead with a pilot program allowing the exchange of syringes in 10 or 12 centers, where addicts will also get counseling.

In the Netherlands, officials agree there is no solid proof yet that free needle exchange will be effective in combating AIDS.

"We prefer the devil we know to the devil we don't know," Giel van Brussel, the head of Amsterdam's drug office, said. "If we force drug addiction underground by a harsh policy, there won't be any medical detection at all and the problem will be worse."

But, he said that, despite the program, 30 percent of the addicts in the Netherlands are infected by the AIDS virus, a figure roughly the same as that of France, where, until just recently, needles could only be obtained with a doctor's prescription. In a one-year experiment, French pharmacies will now be allowed to sell syringes to people with no prescription.

AIDS: In Europe, Medical Officials Brace for Full Impact of an Epidemic

(Continued from Page 1)

spread to a small degree into the rest of the population.

"Our specialists don't like to hear it, but there are some groups that form a link between the high-risk groups and the rest of the population," Gonzague S. Kistler, the chief medical officer for the canton of Zurich in Switzerland, said. Among them, he said, are married men who have occasional homosexual encounters, and, more important perhaps, men who patronize prostitutes infected with the virus through drug addiction or the addition of their clients or other sex partners.

Roel Coutinho, the chief of the AIDS office in Amsterdam's health department, said: "Drug-addicted prostitutes may play a very important role in the propagation of AIDS. They have a lot of contacts, and they don't stop working even when they are sick because they need the money to pay for their drugs."

Whatever the factors involved in the spread of the disease, experts agree that no West European country is likely to be spared the epidemic, because what comes to one country will inevitably spread to the others. Dr. Kistler said that in a couple of years Europe would not be much better off than the United States.

"We have been able to inform people of the danger earlier than they did in the United States and this is an advantage," he said. "But, in Switzerland, for example, the reality is that there are 50,000 to 100,000 homosexuals and 20,000 to 30,000 drug addicts. Half of the drug addicts have the virus. In all, about 20,000 people are already infected."

"If there is not a dramatic change in behavior," Dr. Kistler said, "many in these high-risk groups will die, and, usually, the members of the high risk groups do not change their behavior dramatically."

As in the United States, the disease struck first in the major cities, particularly those where both homosexuality and drug addiction were widespread.

Experts say that the high incidence of AIDS in the major cities, particularly those where both homosexuality and drug addiction were widespread, is expected for the future. In France, the Help Association, a group founded by homosexuals, will maintain apartments where patients not cared for by friends or families can be treated.

The Swiss AIDS Association, a private group with offices in most Swiss cities, has created a new condom and marketed it directly to homosexual bars, clubs, and bathhouses. The group wrote to 6,000 people, most of them women, who advertise in the numerous sex-exchange magazines, warning them of the danger of AIDS.

Most governments have resisted calls for what has come to be called "ghettoization" of the disease.

Officials in several countries say that demands to isolate AIDS patients or to quarantine them in special hospitals, have been remarkably limited, given the terrifying nature of the disease. Yet alarm has been expressed in most places where AIDS has spread.

In Britain, Julian Peto, an epidemiologist at the Institute of Cancer Research, has argued that all people should be required to carry cards showing they have been tested for the disease.

In Sweden and in West Germany, some rightists have demanded that all people testing positively for the AIDS virus be tattooed, so they can be readily identified by those with whom they might have sexual contact.

None of these proposals has been adopted, but in southern Germany, the conservative government in Bavaria adopted tough measures after the central government rejected its demand that all people infected with the AIDS virus be registered nationally.

August Lang, the Bavarian interior minister, announced last month that tests for infection with the AIDS virus would become mandatory for some groups, including prostitutes, prison inmates, and some foreigners who want to live in Bavaria. He said that bawdy sex bathhouses would be banned and that there would be mandatory testing of people arrested in raids on such establishments.

The measures in Bavaria have been criticized as exaggerated, alarmist, and, most important, ineffective in fighting the AIDS epidemic.

A campaign in Britain, which began last year, has been perhaps the most highly visible in Europe, with posters and television advertisements using the slogan: "Don't die of ignorance."

In Switzerland, a brochure containing information about AIDS was mailed to every household in France, the minister of health, Michele Barzach, has proposed that an AIDS test be mandatory for all couples wishing to get married — not to prevent marriage by those testing positive but to ensure they know the danger.

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Reagan Themes Return In a Democratic Guise

Social Legislation in Congress Reflects A New Budgetary and Political Reality

By Helen Dewar
Washington Post Service

WASHINGTON — When Edward M. Kennedy took over the chairmanship of the Senate Labor and Human Resources Committee, he called for a "new agenda for social progress in America."

His goals sounded familiar: better education, improved health care, jobs for the unemployed, help for the destitute. But the federal government's anticipated role in meeting these goals, as it is emerging in Mr. Kennedy's committee, is far different from what Americans had grown to expect from Democrats in general, and Mr. Kennedy in particular, before President Ronald Reagan came along and lowered their sights.

Instead of comprehensive national health insurance, one of Mr. Kennedy's major goals a decade ago, the government would require a minimum level of benefits through private insurers. Rather than pumping huge new sums of money into education, as Democrats have proposed in the past, the government would aim limited resources at areas of greatest need.

Instead of creating jobs, which was the party's response to unemployment in the late 1970s, the government would reward states with federal aid when they get people off welfare and into jobs. The cost, once counted in billions of dollars, is now measured in millions.

"America does not have to spend more to do more," said Mr. Kennedy in what has become the Democrats' credo as they wrestle with the political and fiscal legacy of Mr. Reagan — and the legacy of their own defeats — in drafting the scenario for a political comeback.

In the first two months of the 100th Congress, with the Democrats in full control for the first time since Mr. Reagan took office in 1981, the House of Representatives and Senate have become laboratories for the incubation and testing of new Democratic ap-



'America does not have to spend more to do more' for the unemployed, the destitute, the seriously ill or the uneducated.

— Edward M. Kennedy

proaches for the post-Reagan era. With an almost feverish enthusiasm that had been missing from their ranks for the past six years, Democrats are returning out proposals that suggest, in broad outlines if not precise detail, where the party is headed.

The damage to the Reagan administration in the Iran-contra affair and the affair's implications for the 1988 elections have emboldened the Democrats to push their agenda with new force and self-confidence.

But Mr. Reagan's concept of a more limited federal government, reinforced by continuously high federal budget deficits, has been embraced by the Democrats to a degree that would seem unimaginable only a decade ago. Many of the broad themes that Mr. Reagan articulated, especially in his more successful early years in office, have become part of the mainstream of American politics.

In contrasting Democratic approaches of the mid-1970s and mid-1980s, probably the single most important influence is the budget deficit, which has more than tripled under Mr. Reagan.

The deficit threatens not only Mr. Reagan's military buildup, but also Democrats' hopes for expansion of education, health, employment and other social welfare programs. Even if Democrats succeed in convincing Mr. Reagan to accept a modest tax increase, the revenues they produced would be soaked up in meeting the ever-lower deficit targets of the budget control law.

Democrats are turning increasingly to "marketplace solutions," as in the case of Mr. Kennedy's proposal to require private employers to provide specified levels of health insurance, including coverage for catastrophic illnesses, which require expensive and long treatment.

They are also avoiding or minimizing the creation of new bureaucracies, or expansion of old ones.

Deer from embarking on grandiose programs that would invite attack on both fiscal and political grounds, they are pursuing incremental expansion, such as the gradual expansion of Medicaid that has significantly broadened coverage for pregnant women and infants over the past three years and holds out prospects for even wider coverage in the future.

"We do by small steps what we can't do by giant leaps," said one Democratic aide.

Priorities have become a watchword among Democrats. Senate Democrats, for instance, are working with the administration to find ways to channel school education dollars into school districts with the highest concentration of disadvantaged students and into programs that do the most for them. In the House, Democrats are emphasizing aid to the homeless.

Even some of the most ambitious and traditionally Democratic proposals are being sold on essentially conservative grounds. For instance, Senator Paul Simon, Democrat of Illinois and chairman of the Labor and Human Resources subcommittee on employment, has proposed a "Guaranteed Job Opportunity Program," modeled after the Depression-era Works Progress Administration. The plan would provide 32 weeks of minimum-wage employment along with aid in finding permanent private-sector jobs.

Mr. Simon says the estimated \$8 billion cost would be largely offset by reduced welfare outlays, and he defends the investment in jobs as a way of strengthening families, deterring crime and drug abuse and stimulating business. It would be managed locally, thereby avoiding the threat of an expanded federal bureaucracy.

The new zeal to share responsibility — and costs — with state and local governments is evident in the Clean Water Act, drafted with bipartisan support in the 99th Congress and enacted over Mr. Reagan's veto as one of the first acts of the Democratic-controlled 100th Congress.

The law will phase out federal grants for construction of sewage treatment plants and create state revolving funds to finance such projects in the future. Social programs are also being fashioned with cost-sharing in mind.

In another example of Reagan notions that have taken root in Congress, the broad concept of users paying for the services or benefits they receive are being explored as a way of financing new programs.

For instance, expansion of Medicare to cover catastrophic illness would not be financed from general revenues or an increase in the payroll tax on workers. It would be paid for by beneficiaries, either through a new premium or by taxing the actuarial value of the benefits.

Mr. Simon says the estimated \$8

Racial Tensions Rising on U.S. Campuses

By Isabel Wilkerson
New York Times Service

ANN ARBOR, Michigan — As college officials around the country try to stem what they perceive as worsening racial tensions, racial incidents at the University of Michigan are creating a furor among students and administrators on a campus long known for social tolerance.

Two weeks ago, the campus radio station here was shut down after a student disk jockey broadcast racist jokes that Harold Shapiro, the university's president, called "painful" and "a cause for grief."

In January, a flier declaring "open hunting season" on blacks was slipped into a lounge where a group of black women were meeting. And a wooden shanty built on campus to protest the South African government's policy of racial separation has been knocked down repeatedly and burned once.

Last week, hundreds of people packed a special hearing on campus called by state legislators investigating the incidents. There, minority students told of being spat upon, taunted with racial slurs or threats of lynching, and otherwise attacked.

"What you have here," Anthony Henderson, a graduate student, told the legislators, "is a situation that's ready to explode."

Students and administrators say they are confounded by the assaults involving some of the nation's most enlightened young people and occurring on a campus where, less than a generation ago, students staged frequent demonstrations over everything from civil rights to the Vietnam War.

"I think of these things happening in the South, not in Ann Arbor," said Brian Siring, a freshman, who is white. "But if they're doing it here, it has to be worse elsewhere."

In recent months, racial incidents have been reported at colleges across the country. In October at The Citadel, a military academy in Charleston, South Carolina, five white cadets clad in white sheets and hoods invaded a black cadet's room at night, shouted racial obscenities and hurled a paper cross.

The following week, a crowd of white students attacked several black students outside a dormitory at the Amherst campus of the University of Massachusetts. The melee, somehow related to the victory of the New York Mets in baseball's World Series, left 10 people injured, including a black student who was beaten unconscious.

And last month, a member of the board of trustees at Wellesley College in Wellesley, Massachusetts, resigned amid campus outrage over a class lecture in which she made

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Plan to Sell Arabs Shells Is Criticized

By Howard Kurtz
Washington Post Service

WASHINGTON — A senator has criticized a Defense Department plan to sell anti-tank shells made from depleted uranium to Egypt, Saudi Arabia, Jordan and Bahrain.

The United States has never sold this type of ammunition to a foreign country. Sources said the shells, included in a proposal to sell \$2.2 billion in arms to the four nations, would be worth less than the \$14 million above which congressional approval is required.

The anti-tank shells are made from depleted uranium, an extremely hard and heavy substance that is not radioactive. They achieve greater penetration than conventional ammunition and are considered more advanced than the usual shaped-charge round for attacking armored vehicles or fortifications.

In a letter to Defense Secretary Caspar W. Weinberger, Senator Arlen Specter, Republican of Pennsylvania, said he is "very concerned that introduction of this ammunition to that volatile area will destabilize the precarious military balance between Israel and these four nations." He also said that the shells "could end up in the hands of more radical Arab states or terrorists."

Mr. Specter described the ammunition as "state of the art" and said it "has not previously been sold to any foreign nation, including our NATO allies, Israel or Japan."

[The Defense Department said Monday that the shells might also be sold to Israel and other nations upon request, Reuters reported.]

A spokesman said that smaller-caliber ammunition made from depleted uranium ammunition already had been sold by the United States in the Middle East and other parts of the world.]

Reagan Speech Perceived as Truthful But Poll After Iran Admission Finds He Lacks Command

The Associated Press

LOS ANGELES — President Ronald Reagan made a truthful speech on the Iran-contra affair, according to most respondents of a poll published Monday, but they appeared uncertain that he would fulfill his promises to overhaul White House operations.

Despite the Tower commission's criticisms of Mr. Reagan's management style, 80 percent of those surveyed last weekend by the Los Angeles Times said they liked Mr. Reagan personally, and 52 percent approved of his job performance.

The Times repolled 1,566 people it had surveyed before the speech and before the report by the presidential commission headed by former Senator John G. Tower was released Feb. 26. The margin of error is 3 percent in either direction.

Mr. Reagan's performance rating was slightly down from the 55 percent figure reported before the commission criticized the president's management style.

An overwhelming 70 percent of those polled said they would have to wait to see if the president actually made the management reforms he promised Wednesday.

The speech was termed "good" by a 4-1 margin, and four in seven respondents found the president's remarks responsive and truthful.

The number of people who believed the president had lied sometime during the Iran-contra affair, however, rose 9 percentage points to 53 percent, compared with 37 percent who disagreed. And two in three believed the Iran affair would hurt the president's leadership.

Respondents said they believed, 61 percent to 31 percent, that important decisions of state had been made without the president's knowledge, as the Tower report indicated.

Those who said that Mr. Reagan was in control of the government rose slightly to 46 percent, com-

pared to 48 percent who disagreed. Sixty-seven percent said they believed Mr. Reagan kept himself informed about the complex problem of government, but that figure was down 8 percentage points from the previous survey.

The respondents were about evenly split over whether Mr. Reagan actually apologized in his speech for his handling of the affair, but they were satisfied with his explanation of personal accountability by 54 percent to 41 percent.

They also were evenly divided over whether it was time to put the affair behind the nation or whether further investigation was needed.

The respondents appeared somewhat buoyed by the address, with 24 percent saying the nation was heading in the right direction, up 11 percentage points from the previous poll. But 24 percent said it was going in the wrong direction, and half of the respondents said that the answer is somewhere in between.

Convicted Killer Captured by FBI

Reuters

RIVERSIDE, California — One of the 10 most wanted fugitives in the United States, Claude Lafayette Dallas Jr., a convicted killer, has been captured without a fight, a Federal Bureau of Investigation spokesman said.

The self-proclaimed "mountain man," who has been the subject of a television film and two books, was taken prisoner on Sunday night as he came out unarmed of a grocery shop in Riverside, an FBI spokesman said.

Mr. Dallas, who has an expert knowledge of the wilderness, was jailed for 30 years for killing two game wardens when they caught him hunting deer out of season in 1981. He escaped from prison in April.



'Adoption' Program to Help Restore 20 N.Y. Monuments

New York Times Service

NEW YORK — Almost abandoned by the public treasury that was supposed to care for them, 20 monuments in New York City have been put up for private adoption so they can survive an increasingly hostile environment.

Their designers are in the forefront of art and architecture: Augustus Saint-Gaudens, Stanford White, Daniel Chester French, John Quincy Adams Ward and Richard Upjohn. Their subjects are in the forefront of history: Columbus, Joan of Arc, Washington, Lafayette, Lincoln and Major General William Jenkins Worth, who was buried beneath his monument.

This public legacy bears deep scars. Acid rain, automobile fumes and factory emissions have eaten away at bronze and turned marble into sponge-like. Vandals have torn off heads and arms and covered granite pedestals with spray paint.

The city government spends about \$175,000 a year on seven or eight monuments who care for 800 statues and 700 other public monuments. In contrast, \$1.3 million is needed to repair and restore the 20 monuments in question. Repairs for the monuments up for adoption are expected to cost from \$3,500 to \$275,000.

In recent years, civic groups and corporations have adopted single monuments on an ad hoc basis. But this is the first attempt to meet the monuments on a citywide basis. It also amounts to an acknowledgment that government cannot adequately care for this artistic patrimony.

As far as its organizers know, "Adopt-a-Monument" is the only program in the United States that seeks to restore such a wide range of monuments with private money.

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Yes, Help the Kremlin

There is an argument uncoiling now among students of foreign affairs about how much to help the Soviets. Sure, Mikhail Gorbachev's changes in the Soviet Union appeal to Americans; more openness, more freedom, more popular participation in decisions...

ceptions, misperceptions and insecurities that feed present hostility. As for arms control accords, they should be pursued or not depending on U.S. interests in each case. Some might not help the Soviet economy; some might.

Brazil Has to Shape Up

When Brazil suspended payments on its foreign debts, creditors had good reason to fear that other Latin countries would follow its bad example. Since then, banks and governments have been working hard and effectively to keep the Brazilian virus from spreading.

with its foreign payments. That was a double message. It said that the world would treat Argentina, a democracy, differently from Chile. And it told Latin America that help is available for those countries that try to cope with their internal troubles and deal in good faith with their creditors.

Beyond Comprehending

Long before our species had an identity, let alone a telescope, there was a dark space in the Greater Magellanic Cloud as it might have been seen from Earth. On Feb. 24, shortly before dawn, a light went on in that dark space, and by chance a Chilean observer with a telescope noticed it.

of the distance light travels, at 300,000 kilometers (186,000 miles) per second, in 163,000 years. In this century, humans have seen their scales of distance and time change geometrically. Alvin Toffler, the author and futurist, has observed that for thousands of years the graph line for the fastest form of human travel was flat — about 32 kilometers (20 miles) per hour, in a chariot. In the last 150 years the line has turned almost straight up, from trains to planes to rockets that fly thousands of miles per hour.

Other Comment

And Yet Disaster Struck The ships in which we cross the seas in the 1980s possess radar and echo-sounders, lifeboats and life rafts in profusion, inertial navigation equipment, computerized control systems — and yet still such a disaster can take place as that off Zeebrugge.

pathetic delusions to nothing. We offer deep sympathy to all those who lost loved ones in the Zeebrugge tragedy. But we shall merely underline the incoherence of our concepts if we proclaim that we shall allow no more human misfortunes like it.

Euromissiles: Put Gorbachev to the Test

By Flora Lewis

PARIS — Both Moscow and Washington are suddenly waxing optimistic about a breakthrough on arms control to start eliminating all medium-range nuclear missiles from Europe. The Russians say that agreement should be possible by summer because only "technical" problems remain. Secretary of State George Shultz, who is going to Moscow next month, says he sees hope for a breakthrough also on long-range missiles, the big birds of nuclear holocaust.

It looked a sure-fire loser at the time, when the Russians had nearly 900 warheads targeted on Europe and the United States had deployed none. Indeed, Moscow walked out on negotiations and Europeans then accepted American missiles without political upheaval.

Asians, Too, Have Missile Worries

WHAT Japan seeks is the inclusion of Asia in arrangements for withdrawal of the intermediate nuclear forces in Europe. Mikhail Gorbachev's latest proposal would leave 100 Soviet missiles in the Asian part of the Soviet Union. This is Japan's main concern, and it is shared by China and the Republic of Korea. It is hoped that the White House will display true leadership.

There seems to have been a real turnaround. The Russians' chief negotiator, Yuri Vorontsov, came to Paris last Friday and gave a free-wheeling news conference — confirming again that Mr. Gorbachev has launched a whole new style of Soviet diplomacy. Mr. Vorontsov, as number two in the Soviet Embassy in Washington, ambassador to France and now first deputy foreign minister, is a charmer, at ease in idiomatic American, outgoing, knowledgeable. He gave notice that the new Soviet line is to "take the offensive" on bringing the world to learn "how to live without nuclear weapons."

What Did the American People Know, and When?

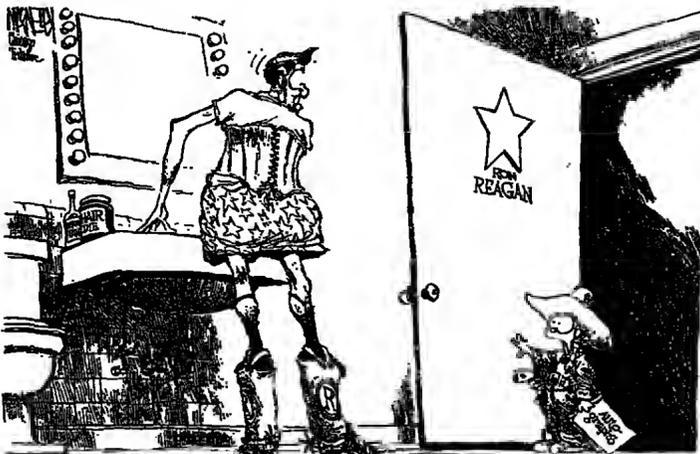
By James Reston

WASHINGTON — Everything has been examined now about what happened to the U.S. government except the role of the American people. We have blamed everybody but ourselves. It is almost as if the American people had taken the Fifth Amendment or been granted immunity from explaining why they elected Ronald Reagan in the first place.

It is not new, either. We knew the Japanese would not dare attack us at Pearl Harbor; that the Chinese would not cross the Yalu when Douglas MacArthur went beyond the 38th parallel in Korea; that we could rout the Cubans at the Bay of Pigs; that the North Vietnamese would run away when they saw our tanks and planes; that Beirut would settle down when the marines landed; and that with our money and our guns the "freedom fighters" would triumph in Nicaragua.

'He Would Not Think Like a President'

IN 1976, I went to California and, with a colleague, wrote an article for Esquire magazine on Ronald Reagan. For many reasons — his antipathy toward civil rights, his hostility to the poor, his support of the Vietnam War — I was hardly a Reagan fan. But I was still surprised by what I learned in Sacramento: Mr. Reagan had been something of a figurehead governor.



Government by Amateurs

BETWEEN its gently scolding lines, the Tower commission's report bears a familiar message: not only for Ronald Reagan but for American voters: If you elect presidents with a contempt for government, you are all too likely to get contemptible government. But let us not be too hard on Mr. Reagan. He is only the latest sacrificial victim of Americans' self-indulgent myth that government (unlike, say, brain surgery or baseball) is a snap for well-meaning amateurs with strong ideas.

Sahlins, an anthropologist at the University of Chicago. "That was the glaring contradiction: between what he actually delivered and the control he claimed to have had over the presidency, the country and the world. If the sacred is above the wear and tear of worldly, empirical events, then he was at least like the sacred."

After the Magic Wears Off

RONALD Reagan's magic depended on the perception of his strength. "He had managed to create a distance between himself and his fellow human beings which was on the model of chieftains and kings," says Marvin Harris, an anthropologist at the University of Florida. "He was said to have a Teflon suit on; he was immune to the slings and arrows of ordinary circumstances. It's absolutely a miracle that Reagan was able to keep that aura of secular sanctity."

No, Not a Prime Minister

THE fallen White House chief of staff, Donald Regan, gloried in his portrayal as "prime minister." This self-aggrandizement was a strategic error, adding in the resentments and jealousies that came to surround him. Beyond this, for a White House chief of staff to court identification as a "prime minister" uses the wrong analogy to create the wrong impression.

Poorly Equipped For Transitions

THE saving grace is that President Reagan's decline has evoked no great outpouring of jubilation among his opponents. Democrats are not jumping up and down with glee as they did in the closing years of Herbert Hoover's administration. The mood is somber, a groping quest for ways to keep things going.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Amundsen's Tale

LONDON — Captain Roald Amundsen's story of his conquest of the Pole, published (on March 9) by the "Daily Chronicle," adds something valuable to the total of human knowledge about the land, ice-covered seas and mountains of the Far South.

1937: FDR's Court Plan

WASHINGTON — President Franklin D. Roosevelt will appoint justices who will set as justices — and not as legislators — and if such is called "packing the court," that is exactly what the majority of the American people favor doing right now, he declared (on March 9) in his fireside radio talk to the nation.

Financial market data including 'DOLLAR RISES', 'EUROMARK', 'Prices Lower', and 'Monday's OTC Prices'.

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OPINION

Are They a New Revolution Or Just a Gaggle of Contras?

By A.M. Rosenthal

Miami — Six months, not much more. The political men here who represent Nicaraguan rebel troops in the field disagree about a lot of things, but they do say, quite separately, that they have about six months to show whether they can change from a collection of competing groups into a unified movement capable of challenging Sandinista control. The people they are trying to show are Americans, members of Congress. The rebels are not ashamed of it. To them, reality is that the Sandinistas depend on Soviet funding and arms and

Some of the rebel political leaders in Miami were part of the struggle against the dictator Anastasio Somoza but did not trust the Sandinistas from the start. Mr. Calero was one of those, is proud of it and may have the biggest rebel following.

Then there are men like Mr. Cruz, a banker in the Somoza days. He fought the dictator until General Somoza was overthrown in 1979. Mr. Cruz believed that the Sandinistas would preserve the variety within the revolutionary movement that defeated General Somoza and of which the Sandinistas were part. He joined the first Sandinista junta. He campaigned for them among businessmen in Nicaragua and abroad until he decided that the Sandinistas were not interested in democratic variety but in Marxism without any variety at all. He seems tired now and says all he wants to do is get out as soon as possible and write a book.

Further left are men like Alfredo Cesar. We talked in a Miami coffee shop and realized that we had met before — five years ago in Managua. He had been with the Sandinistas through the fight against General Somoza and by then, in his mid-30s, he was president of the Central Bank, sending foreigners away full of admiration for Sandinista talent. He got out, convinced that the Sandinistas had betrayed the revolution against one dictatorship to build another. Now he fights them not only in Miami and in Central America but at meetings of European and Third World socialists, where he and Sandinistas sit stonily near each other.

Quite different men. What unites them is the conviction that they are not counterrevolutionaries — "contras," originally a Sandinista epithet — but a movement carrying out its own revolution against a group that captured a national triumph over General Somoza as Fidel Castro swallowed the anti-Batista victory and Lenin's Bolsheviks seized the revolt against the czar.

Reports on rebel troops inside Nicaragua indicate growing self-confidence and skill. In Miami, the political representatives of those troops know that most Americans regard their movement with distaste or contempt and believe that it is splintered, infected with *Somocistas*, CIA-controlled and incapable of bringing anything but bloodshed to Nicaragua. As long as so many Americans regard them as ragged and tainted, the rebel movement seems doomed. Its leaders say that to persuade Congress otherwise, they have to unite militarily, choose a coherent political leadership and become strong enough either to fight effectively or to negotiate effectively.

There is division on which should come first. There is no division about the fact that there is very little time to persuade Congress that they are members of a new Nicaraguan revolution, not just contras.

The New York Times



By BRENDT in Het Poraal (Amsterdam). C&W Syndicate.

LETTERS TO THE EDITOR

On the NSC and What Its Founders Intended It to Be

Several of your recent articles have referred to the National Security Council in ways implying that it is a governmental organization complete with an office, aides (such as Lieutenant Colonel Oliver North) and "secret agenda." As one who drafted some of the documents leading to the National Security Act of 1947, may I comment?

The National Security Council is not an organization but a committee of four members: the president, the vice president, the secretary of state and the secretary of defense. Its statutory duty is "to advise the president with respect to the integration of domestic, foreign and military policies relating to national security." It has no office space, personnel or files. Staff work is the responsibility of a three-man board consisting of the director of Central Intelligence, the chairman of the Joint Chiefs of Staff, and an in-house "assistant to the president" known as the national security adviser. Its day-to-day supervision is the job of the latter, and he has sufficient office space in the Executive Building for a staff of some 40 experts, secretaries, file clerks and computer operators.

This number does not include Colonel North's "vast network of secret operatives." These have been "contract agents," not civil servants, and neither they nor their work has any legal status under the National Security Act.

The only statutory duty of the national security adviser's staff is to screen all intelligence coming to the White House, and to summarize it into reports that are comprehensive, yet concise enough for consideration of NSC members at their weekly meetings.

Framers of the National Security Act intended for the adviser's office to con-

sist exclusively of carefully chosen experts, the nation's best, having the knowledge, experience and sensitivity to grasp the significance of what they read, and for the adviser himself to be a former diplomat or intelligence official sufficiently close to the president to understand how best to get the significance across to him. Until now, however, President Reagan has staffed that office with amateur activists rather than experienced advisers, and has allowed them to operate according to their own strategies, concocted on a basis of intelligence acquired from nongovernmental sources — the equivalent of a hospital employing garage mechanics as consulting physicians, then allowing them to perform open-heart surgery using what they have learned from books on witchcraft!

It is surprising that nothing more disastrous than the "Irangate" affair has resulted. Or maybe it has, and the general public just hasn't yet learned about it.

MILES COPELAND, Oxford, England.

General Secretary Reagan?

Would it be possible to widen present U.S.-Soviet exchange programs by swapping the two nations' leaders? Both countries could profit from this. The aging members of the Soviet Politburo would feel safer under Ronald Reagan's leadership, with his emphasis on strong defense policy and patriotic zeal, and Americans would benefit from Mikhail Gorbachev's bold and innovative ideas, which are more likely to flourish in the fertile ground of the United States than in the Soviet Union.

JOAQUIN GODDY, San Juan, Puerto Rico.

The Real Promised Land Is America

Jewish Americans Are More Secure Than Israelis Will Ever Be

By Jacob Neusner

PROVIDENCE, Rhode Island — It is time to say that America is a better place to be a Jew than Jerusalem. If ever there was a Promised Land, Jewish Americans are living in it. In the United States, Jews have flourished, not alone in politics and the economy but in matters of art, culture and learning. Jews feel safe and secure in ways that they do not and cannot in the state of Israel. And they have found an authentically Jewish voice — their own voice — for their vision of themselves.

That is not to say that the long centuries of wandering have ended. God alone knows the future. But for here, now and whatever future anyone can foresee, America has turned out to be our Promised Land.

And that creates a problem, because American Jews — now, really, having become Jewish Americans — are supposed to feel a bit guilty about living in the United States. They are expected to fear for their future and to take for granted that a full Jewish life is to be lived only in Jerusalem — that is, in the state of Israel.

Some Israelis tell American Jews that the United States, like the fleshpots of Egypt, is no place for a Jew — we are all going to die in gas chambers, singing Christmas carols. The message is that we are not supposed to feel secure because anti-Semitism will catch up with us, as it has with Jews everywhere else, always.

Meanwhile, the story goes, we are all "assimilating." We have stopped being Jewish. Nearly six million Jews today, 60 million in the past, are all marrying gentiles and jumping off the sinking ship of Judaism. For one, have not yet felt the nudge of the iceberg, and I do not think I am singing on the deck of the Titanic. I think the Jews have built a Jewish life in the United States that can last and that even now is giving plenty of proof of stability — and human value.

The truth is that Jews can make it in freedom, America, the freest and most open society Jews have ever known, is not only good for the Jews but better for the Jews than the state of Israel — and not because we prefer the fleshpots or even like singing "Silent Night."

First, are we assimilating? I think not. We are changing. But change is not assimilation, it is change. We are different from our grandparents. Our children will be different from us. But the emblem is multiplying of a highly cohesive Jewish community, with traits that mark us as distinctive.

Fifteen years ago, Jewish sociologists who studied the question announced that Jews were disappearing because they were not having enough children. This prophecy has been made by each generation of Jews since our patriarch, Abraham, 3,500 years ago. Failing to foresee the birth of Isaac, Abraham thought that Eliezer of Damascus, who was not Jewish, would be his heir.

When the sociologists told us we were on our way out, the Israelis argued that if we wanted a Jewish future, we had to emigrate. But it turns out that the disappearing American Jew is going to be around for a while because the sociologists got their numbers wrong. Inter-marriage, so it seems at the moment, is a demographic plus, not a minus. The reason, surveys show, is that the non-Jewish partner often either converts or identifies with the Jewish community, and at least half of the children do.

Second, are the "goyim" out to get us? There is anti-Semitism, among other hatreds, in the United States. But every public opinion poll confirms the impression given by noting that no fewer than seven U.S. senators — 7 percent of the

gated circumstance, and so the state of Israel offers the only hope. But where does this bizarre argument come from?

When the political Zionist movement began in the 19th century, the projected Jewish state was supposed to serve as a haven for Jews who wished to go there or had no other choice. What would happen to the others was not quite clear. Some thought they should assimilate, so that pretty much all Jews would live in the Jews' state. Others projected that state as becoming a "spiritual center" that would serve as a light to Israel, to the Jewish people, wherever they lived, and even to other nations.

Later on, with the success of the state of Israel, a new claim came forth. Only in the state of Israel can Jews live a "full Jewish life," and, still further, only in the state of Israel can Jews have a future. Jews in the Diaspora (Israelis are too polite to call it "the Exile") will wither and fade.

What that has come to mean is simple. As an Israeli professor of political science from Tel Aviv University said to me, "If you are right, we are wrong." What he meant is that if Jews in the United States give evidence of sustaining a long future, then there is no "need" to build, or live in, the Jewish state. Consequently, anyone who maintained that Jews in other countries can succeed in maintaining their distinctive community and faith became "anti-Zionist" or even "anti-Jewish."

What I hear in the odd turning of ideology is that Jews cannot live in a free and open society, that Judaism requires the ghetto, and that freedom — an absolute good for everyone else — is bad for the Jews. What a remarkable judgment upon the human meaning of Judaism!

So let us turn the matter around and ask whether Zionism has kept its promises for the Jews: Where, really, is it better to be a Jew? Zionism promised that the Jewish state would be a spiritual center for the Jewish people. But today, in all the Jewish world, who, as a matter of Jewish sentiment or expression, reads an Israeli book, or looks at an Israeli painting, or goes to an Israeli play, or listens to Israeli music?

The writer, a rabbi, teaches Judaic studies at Brown University and is author of "Death and Birth of Judaism: The Impact of Christianity, Secularism and the Holocaust on Jewish Faith" and "Israel in America: A Too Comfortable Exile." He contributed this column to The Washington Post.

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A Key Stability Worldwide

Man Power

There will be a... Philippines until the... of the New Pro... been persuaded to... This they will... issue of land re... The Am... promised, hesitantly... nation across (about...)

tion? The Phil... successful... south Korea and Ta... capitalists. He... led their produc... when, with U.S... after World War II... slave land reform... still shy away from... its threat to the... to entrepreneurial... tial traditions.

When you are dying of thirst and somebody gives you a drink, you don't ask if it's Schweppes or Perrier."

That is a favorite saying of Adolfo Calero, a big, burly man who resigned recently from the three-man rebel political directorate. It was part of complex political struggles that he hopes will broaden the directorate and bring him back, possibly at the top. He said he had just assumed that if the president of the United States wanted to fight the Sandinistas, Mr. Reagan would have access to funds. Public funding was best, but if it had to be private or secret, that was not a great concern compared with survival.

But the rebel leaders know that Americans do care and that getting the congressional funding that is life or death to them is now vastly more difficult. Arturo Cruz, a former member of the Sandinista junta, and now a rebel leader, took a weary stab at the odds. "On a scale of one to one hundred, what would you say?" he asked, and answered himself. "I would say five."

Time Is Running Out
TIME is running out for the contras. Their only hope is in a familiar dual strategy: penetrate into Nicaragua and gain support among the people, and emphasize insurgency tactics — the ambush, the mined bridge, the storehouse, set ablaze. One danger is that the Soviets would order their Cuban puppets to reinforce the Sandinistas. Another is that the contras might begin to quarrel among themselves. But, if they do not run this risk and Congress ends its support, Washington will pass to the next generation a problem perhaps insoluble without U.S. military intervention.

Syndicated columnist Drew Middleton.

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IRS AGU Court Plan

U.K. to Open Ferry Inquiry, Sets Up £1 Million Aid Fund

The Associated Press
LONDON — Britain on Monday announced a public inquiry into the accident that killed 134 people aboard the ferry Herald of Free Enterprise and said it was donating £1 million to a fund for families and survivors of the disaster.

Transport Secretary John Moore, announcing the investigation to the House of Commons, also thanked the Belgian people for their "extraordinary courage, efficiency and care" in the rescue effort after the ferry capsized off Zeebrugge on Friday.

Belgium also is conducting a full inquiry and has begun questioning witnesses and survivors of the accident.

"It will be for the formal investigation to investigate the causes of this disaster and make recommendations to ensure that all possible lessons are learned," Mr. Moore said.

He said preliminary reports suggest the cause "was an intrusion of water through the bow loading doors" but that there was no evidence to suggest a fundamental fault in the design of the ship.

John Calderwood, a truck driver from London who was aboard the ferry when it rolled over, said the crew had difficulty closing the inner bow loading doors. The New York Times reported. The ferry has both inner and outer loading doors.

Mr. Calderwood said he noticed two men struggling with the doors after the ferry had left the dock.

pounding them with a sledgehammer in an effort to fasten them shut.)

Preparations for Salvage
 Peter Maass of the International Herald Tribune reported from Zeebrugge, Belgium:

Barges were moved into position Monday as the owners of the Herald of Free Enterprise prepared to start salvage operations that could take up to five weeks to complete.

The announcement by the ferry company, Townsend Thoresen, came as Belgian and British investigators continued to investigate the circumstances of the disaster Friday night. Members of the British crew were interviewed by local judicial authorities before being allowed to return to Britain.

The 7951-ton ferry, heading in Dover, suddenly keeled over on its port side Friday about 1,000 yards (one kilometer) from shore. A total of 543 people were on board, and 409 of them survived the disaster. So far, 53 bodies have been found, while 81 people are missing and presumed dead, trapped in the hull. One man who was believed to have died was discovered Monday to have returned to England.

Peter Ford, chairman of Townsend Thoresen, said the company had decided to refloat the vessel, calling that procedure the best way to retrieve all of the bodies quickly.

"The recovery of the bodies is the number one priority," he said.

Mr. Ford said it would be too dangerous to cut holes in the hull to get at the corpses. Such an operation, he said, could lead to the collapse of the ship. He dismissed suggestions that the company wanted to save money by salvaging the ship in one piece.

A few divers probed the wreck on Monday, but did not attempt to extract any bodies. Officials said efforts to pull out the corpses while the ship was capsized would risk the divers' lives.

The company advised families of the missing passengers and crew to return home rather than wait in Zeebrugge.

Mr. Ford said the families would be called back to Zeebrugge once the bodies were removed. He also

announced that his company would put aside about \$375,000 to aid families of the victims. This sum is in addition to the fund provided by the British government, which is the equivalent of \$1.58 million.

No salvage work was performed on Monday. Mr. Ford said that the operation could take 10 days to five weeks, depending on weather conditions and other factors.

The delay in starting salvage operations was apparently related to continued negotiations between Townsend Thoresen and the salvage company, Smit Tak International of Rotterdam. The source of discord was not clear, but a Townsend Thoresen official said a contract would be signed by Tuesday.

The official refused to give complete details of the process for refloating the ship. However, he confirmed that huge handles would be welded to the exposed side of the hull.

Two barges, each carrying cranes, already have been moved into place beside the ship to seize the handles and roll the boat upright. Just before the boat is rolled upright, air is to be pumped into the hull, forcing out some water.



Mark O'Connor, right, the chief defense attorney for John Demjanjuk, listened Monday as his Israeli assistant, Yoram Sheftel, cross-examined an investigator.

Treblinka Survivor Says Demjanjuk Tortured Friend

The Associated Press
JERUSALEM — A survivor of the Treblinka death camp told an Israeli court on Monday that he recognized John Demjanjuk, an alleged Nazi war criminal, as the Ukrainian guard he had seen drill a hole in a prisoner's buttocks.

Yehiel Reichman, 72, testified that as a prisoner at Treblinka in World War II he cut women's hair before they were shoved into gas chambers and extracted gold teeth from corpses.

"While I was washing some teeth, this Ivan came over with a drill," Mr. Reichman said as he rose and pointed at the defendant. He said the guard used the drill to bore a hole into the buttocks of a friend of his, named Finkelstein.

Mr. Demjanjuk, who is accused of killing hundreds of thousands of Jews at Treblinka as a guard known as "Ivan the Terrible," denies he was ever in the camp.

His attorneys on Monday cross-examined Alex Ish-Shalom, the chief investigator in the case, charging that their client was improperly interrogated and that his civil rights were violated while he was being held in prison prior to his trial.

Quakes, Mudslides Kill Hundreds in Ecuador

The Associated Press
QUITO, Ecuador — Mudslides caused by earthquakes last week have buried entire Ecuadorian villages and killed hundreds of people in remote eastern jungles, a provincial official said Monday.

"There are hundreds of dead," Jorge Gonzalez, a senior administrator in Napo Province, said of the disaster. "Medical attention is needed urgently for the injured."

Several newspapers in the capital published unconfirmed reports that more than 300 people had been killed.

In addition, the quakes ruptured the country's most important oil pipeline and forced Ecuador to indefinitely suspend oil exports, its major revenue earner, at a time of financial hardship.

Thousands were left homeless by the mudslides, which destroyed bridges, covered stretches of road and virtually cut off the Napo region from the rest of the country.

"I don't want to cause alarm, but the truth is that the destruction is on a grand scale," President Leon Febres Cordero said after flying over the hardest hit areas, about 120 miles (195 kilometers) southeast of Quito, the capital.

The mudslides were caused by a series of several earthquakes, the last two of them very strong, that began Thursday night and continued Friday.

Officials in Quito initially reported no casualties from the quakes because, in the highland population centers, it appeared that no one was killed or injured. But many villages were devastated in the Amazon jungle basin east of the Andean mountain range running the length of the country.

Ramiro Perez, director of education in Napo Province, said: "In the region of the epicenter, there are dozens of dead, villages are bombed, buses filled with people buried by mud."

The United States was the first foreign country to provide assistance, officials said. Two U.S. Air Force planes arrived Sunday in Quito carrying 50 tons of supplies.

U.K.-French Defense Talks
The Associated Press
PARIS — Defense Minister George Younger of Britain met Monday with Defense Minister Andre Giscard d'Estaing of France at the start of a two-day visit during which Mr. Younger will visit a French nuclear submarine base in Brittany.

Vatican to Issue Stand on Artificial Procreation

United Press International
VATICAN CITY — The Vatican will condemn surrogate motherhood, in vitro fertilization, embryo banks and other artificial procreation techniques in a sweeping document to be released Tuesday, an Italian news agency said.

The long-awaited document is to be released by the Congregation for the Doctrine of the Faith.

The ASCA news agency obtained a copy of the 40-page document, which is entitled "Respect for Human Dignity and the Dignity of Procreation."

Arguing on the basis of Catholic teaching that marriage is required for the moral transmission of life, the document said "that which is technically possible is not itself morally admissible," ASCA reported.

Beijing, Prague Renew Ties
Agence France-Press
PRAGUE — Czechoslovakia and China have improved relations by signing an agreement there on the reopening of the Czechoslovak consulate in Shanghai and the opening of a Chinese consulate in Bratislava, a Chinese source said Sunday.

CHINA: Power Struggle Threatening Deng's Reforms

(Continued from Page 1)
 dent press campaign against "bourgeois liberalization," a term used to scorn capitalist tendencies and Western political ideas.

Mr. Deng appears worried enough about the conservative backlash to have modified his course, hoping to defuse the arguments of his critics.

Mr. Shultz, the first Western visitor to meet Mr. Deng and top Chinese ministers since the recent political shake-up, reserved judgment about the modernization program despite reassurances from the highest authorities that it would proceed.

"I don't have a crystal ball, and certainly not a Chinese one," Mr. Shultz said during his visit last week.

Some of his advisers were even more skeptical.

"It would be inconceivable for any member of the inner ruling circle to send a differing message to a foreign dignitary now," said a U.S. participant. "So you really can't take at face value what the Chinese had to say about the reforms sailing on a smooth, if slower course."

Mr. Shultz's caution reflected some of the uncertainty that has

bothered China-watchers since the political shake-up that followed student protests in favor of freedom and democracy in November.

While the downfall of Mr. Hu, the party leader, has been attributed to poor handling of the student protests, analysts say they believe the conservative ascendancy had caused policy shifts well before the demonstrations.

They appear to have forced Mr. Deng to postpone one of the most important cornerstones of his modernization effort — a lifting of price subsidies that would instill a market dynamism into key sectors of the economy, such as housing. That plan has been put aside indefinitely.

The conservatives have also managed to reassert two favorite themes in party guidelines: calls for more frugality to curtail rising consumer materialism, and increased grain production to emphasize food staples under a more austere regime.

Such gains are still believed to fall short of one goal of the conservatives, which is to restore the primacy of the central planning system that Mr. Deng has changed.

The reforms launched eight years ago by Mr. Deng under his

"four modernizations" plan have yielded indisputable successes. Chinese living standards have improved greatly. Many farmers have prospered, growing more cash crops through market incentives. As a result, China has gained self-sufficiency in some products, such as cotton, that used to be imported.

Even inflation, a common complaint, is generally considered a side effect of relative prosperity.

"You hear people moan about the price of pork rising too fast," said a Beijing-based businessman. "But three years ago, they could not even find the pork to buy in many markets."

Despite its successes, the pace of change in recent years has fortified the arguments of Mr. Deng's critics. They have played on two powerful fears: that inflation and rapid growth will wreck social instability and that accompanying demands for broader political freedoms will erode the Communist Party's dominant control.

Among those most concerned about the impact of the changes are purists in the party rank-and-file who feel uncomfortable with a new ethic that could cost them their social and economic status. They also fear being labeled "capitalist roaders," a senior diplomat said.

A decisive factor in coming months could be the role played by the military. Foreign and Chinese analysts here said it has assumed a higher political profile than at any time since the armed forces effectively



Hu Yaobang

mounted a coup against the leaders of the Cultural Revolution and then returned to the barracks when Mr. Deng consolidated power.

"The military officers see themselves as the ultimate guarantor of national stability, and they will not hesitate to salvage what might be seen as another descent into chaos," an Asian analyst said.

Chinese and foreign observers in Beijing said the army might have come close to intervening in the political situation if workers had joined ranks with the students by acting on threats to go on strike because of pricing disagreements.

CHARGE: Criminal Counts Seen

(Continued from Page 1)
 investigation was being expedited because of congressional plans to grant limited immunity to several people also being investigated by Mr. Walsh.

When Congress grants immunity to witnesses in exchange for their testimony, prosecutors are generally barred from using that testimony and any leads it produces in seeking criminal charges. That makes it important for Mr. Walsh to have as much evidence in hand as possible before immunity is granted.

Among those who may receive congressional immunity are Colonel North and Rear Admiral John M. Poindexter, the former national security adviser.

Colonel North's secretary, Fawn Hall, has told the Federal Bureau of Investigation that she assisted the colonel in destroying and altering documents in the days before he was dismissed from the National Security Council staff.

Obstruction of justice is a broad term that encompasses several federal crimes, including destroying or altering evidence needed in a criminal investigation.

Reagan, The Associated Press reported.

Mr. Abshire said Sunday in a television interview that he had spoken with Mr. Baker and had been told that Mr. Baker did not agree with the report.

"There is no legal defense of the president's actions," he said. "The president's got nothing to hide."

REBEL: Demands Listed

(Continued from Page 1)
 excluding extremist groups on the right and left, should be immediately involved in negotiations for a sharing of political power by all races.

South Africa denies any electoral role for the black majority of 23 million.

The independent candidates did not specify in their joint platform which black political organizations should be freed of restrictions. But the most representative ones are the African National Congress, which was outlawed in 1960, and the United Democratic Front, a coalition of more than 700 anti-apartheid groups, most of whose leaders are either in detention or have gone underground.

Harold Pakenham, Mr. Major's media adviser, said that the independent candidates did not intend to include the African National Congress because of its adherence to violence. But he said that "the politics underlying the ANC, including Freedom Charter politics, should be addressed."

The Freedom Charter, adopted in 1955, is the manifesto of the congress, the main guerrilla force battling white minority rule.

Mr. Pakenham said the independent candidates intended to include the United Democratic Front and other nonviolent black political groups in negotiations, and demanded that restrictions against them be lifted.

The rebel Nationalists also demanded that:

- The chief justice of the Supreme Court or another senior judge be instructed to assemble and publish all available constitutional options for power sharing as a starting point for negotiations.
- Press restrictions and censorship be lifted, and judicial procedures be reinstated.
- A timetable be set for doing away with discriminatory laws, including the 1950 Group Areas Act that segregates residential neighborhoods by race.
- A Bill of Rights be drafted to protect individual liberties and "group rights" such as language, culture and "access to mother-tongue education."
- The encouragement of regional initiatives for power sharing, such as the constitutional convention last year in Natal Province in which representatives of all races drafted a proposal for a nominal form of provincial government that local leaders viewed as a possible national model.

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ARMS: Early Deployment Is Said to Imperil SDI Goals

(Continued from Page 1)
 wonder if this country is capable of running a big, long-term program."

At a hearing before the House Armed Services Committee on Feb. 25, questions were raised about shifts in Pentagon goals. But Lieutenant General James A. Abrahamson of the air force, director of the Strategic Defense Initiative Organization, denied that there had been any internal shifts. He said congressional budget cuts had forced the program to narrow its scope, especially in beam weaponry.

Moreover, in a speech last week in New York, Dr. Louis C. Marcet, the head of technology for the Strategic Defense Initiative Organization, said that anti-missile shifts had been exaggerated. He added, "The basic character of the SDI program has been maintained since its inception."

Asked about budget moves in favor of kinetic weapons, he conceded some change but noted that "we're still spending more" on beam weaponry.

Before Mr. Reagan's so-called "star wars" speech in March 1983, the administration spent about \$1 billion a year on anti-missile research, much of it on ground-based kinetic weapons meant to destroy descending enemy missiles.

After the speech, the newly created SDI program put forth a five-year, \$26 billion research plan. So far, in its first three fiscal years, the program has sought \$11.4 billion and received \$8.2 billion after congressional budget cuts.

As the anti-missile quest went forward, the free-electron laser emerged as a top candidate. Scientists in 1985 made breakthroughs in wigwagging "free" electrons to produce concentrated beams of light with greater efficiency than before, promising huge rises in laser power.

Generated on Earth, its beam was to flash into space and bounce off orbiting mirrors toward missiles rising over the Soviet Union. The idea so excited Pentagon officials that they considered a crash program to build a \$1 billion test facility in New Mexico.

"The ground rule was to have a major demonstration before this administration left office," Mr. Barletta recalled. At one point the crash program included a \$400 million facility at Livermore for rapid development of the technology.

But early in 1986 top officials in the anti-missile program began to hesitate, time was lost, and the project bogged down in bureaucratic delay, its scheduled completion slipping from 1989 to 1991.

The Livermore facility has now been dropped, and the New Mexico demonstration project is fast receding.

"It's questionable whether the schedule can be maintained with the present level of funding," Mr. Barletta said.

Other beam weapons whose budgets have recently been cut at laboratories around the country include the X-ray laser, the chemical laser and the excimer laser, according to SDI budget documents recently presented to Congress. At one time, or another each of these weapons held the anti-missile lead.

The current winners in the anti-missile quest are weapons meant to destroy warheads. These kinetic weapons, which are under development by aerospace companies, are to be launched from the ground and from space-based battle stations and to be propelled toward targets by small homing rockets.

The budget for the space-based kinetic kill vehicle is now \$126 million. It is to rise to \$303 million in the fiscal year 1988, which begins Sept. 1, and to \$357 million in 1989.

For a ground-based kinetic weapon, the Pentagon wants to increase spending from \$107 million this year to \$220 million in 1988 and \$307 million in 1989.

UFO: Saucer-Season Tales Explore Not-So-Alien Territory

(Continued from Page 1)
 contempt and a number rejected it as a favor to me, with the recommendation that I never ever publish it" lest his reputation be ruined.

But four houses decided otherwise, and the bidding reached \$1 million for hard-cover, soft-cover and other rights.

Mr. Hopkins, author of "Intruders," is a successful New York artist with works in the Corcoran and Hirshhorn museums in Washington. He has spent the past 12 years studying 152 persons who claim to have been abducted by aliens, employing psychiatrists, psychologists and lie-detector experts to screen his subjects.

In "Intruders," he recounts the experiences, often revealed through hypnosis, of more than a dozen victims and their relatives. Despite wide divergence in region, age, sex and social class, the subjects share

an alarming similarity: Members of the same family "seem to have been systematically abducted, at varying times and locations" for anatomical examination.

There are accounts of sperm and ova ripped from their donors, tubes inserted and withdrawn while victims lie there like laboratory specimens, babies artificially birthed and stolen. The stories are so alike in pattern and detail, writes Mr. Hopkins, that they reveal "a central purpose behind" the abduction phenomenon, namely, "a genetically focused study of particular bloodlines." A hideous notion, but I have the case material and I'm stuck with it," he said.

The book's credibility chiefly depends on the assumption that so many people could not be lying in such eerily identical ways when they have nothing to gain except public humiliation.

Without physical evidence, he conceded, "there's no smoking gun. But we're gonna find it one of these days."

In "Light Years," Gary Kinder re-examines the case of Edward Meier, a Swiss laborer who in the late 1970s convinced thousands

that he was in constant contact with an amiable outfit from the Pleiades, a group of stars.

Mr. Meier amassed hundreds of photographs of the aliens' saucers, thousands of pages of notes on their science and moral lore and yards of film of UFO maneuvers.

For months, fans, reporters and film crews flocked to hear Mr. Meier sermoneize. But no one actually saw his mentors. Then, in 1980, it all came apart. Several UFO researchers declared his photos bogus, his story a fraud.

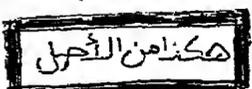
Mr. Andrus and several other UFO researchers, without reading Mr. Kinder's book, were worried that a resurrection of the Meier case would open their pursuit to ridicule. They implored the publisher to dump it.

Carl Sagan, an astronomer who regards the search for intelligent life in the universe as "exceedingly important," puts astronomical odds against a landing on Earth. Even assuming that our galaxy contains a million advanced civilizations, each one would have to send 10,000 missions a year just to find us among the billions of possible

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ARTS / LEISURE

Gigli Breaks Ranks in Uniform Milan

By Hebe Dorsey

MILAN — It has never been a bag of laughs here, but this season it is amazing that the Italian designers have not heard of the fun fashion revolution sparked in Paris by Christian Lacroix. They keep on delivering serious, sober and saleable clothes. The result is something of a dowser.

MILAN FASHION

As they get richer and richer, the highly successful Italian designers now take themselves too seriously. Even the Krizia designer Mariuccia Mandelli has lost her sense of humor.

Thank god, then, for a budding generation of young talent, and especially Romeo Gigli, who has brought a breath of fresh air into a financially confined environment. Gigli, 37, is the shy violet of Milan fashion, but he has succeeded in establishing a strong signature in three seasons, with a pure, austere silhouette. His subtle courting of the body is done with new stretch fabrics that eliminate most seams to give these clothes a fresh ring and unexpected bounce.

Gigli's chief merit is to have broken the tailored mold of Milan fashion uniforms. His small-boned silhouette does away with artificial structure and shoulder padding. The girl he designs for is a far cry from the blatantly sexy matron who long dominated Milan's runways. She looks 14, still goes to school and may be moving on to a convent. She is pure, reserved and wears her hair pushed up by a couple of combs into a Victorian chignon. Flat shoes, dark hose and no make-up complete the picture.

His basic dress was a crisscrossed, hugging bodice over a little doll, puffed up skirt, its volume defined by stretch ottoman. Long, skinny redingotes were made for a wonderfully slim silhouette. The stretch jersey black dresses touched up with black lace were clinging and shyly sexy, with delicate décolletés over adolescent breasts. Gigli's palette has also brightened from solid black and grays to pale rose, moss green and dark eggplant.

Couture is on the Italian designers' minds, but Gianni Versace,



Byblos (left), cute and youthful; Versace, short skirts and highest heels.

who showed 30 so-called couture models at the beginning of his collection, explained that these were factory-made clothes. What he means by couture are superior fabrics and some hand-finished touches. Gigli recently showed 12 couture models with his menswear collection.

Giorgio Armani won't hear of it. "People talk about couture too easily," he said. "To me, couture is done in ateliers, with qualified seamstresses sewing by hand. The minute you start producing by the thousands, you're into ready-to-wear."

Except for Versace, who revived the mini, the silhouette in Milan is long and dark with strong shoulders and belted coats. Colors are black and gray with occasional surges of red and cyclamen. Versace's "couture" collection was mostly daytime clothes addressed, he said, "to women whose dialogue

with fashion speaks the language of power." No wonder then that a strong masculine jacket was the backbone of this collection. His regular ready-to-wear collection was a mix of determined career women and sexy pussycats — respectively expressed with aggressive leather coats and flirtatious mini-skirts. Versace was fascinated with legs. Besides the minis, he showed flying panels attached to the skirts of short pleated skirts, as well as the highest heels in town.

Unlike most collections seen so far, this one was exploding with color — green, red, bright purple and electric red. Plaids and checks alternated with solids. For accessories, Versace threw in long stoles that softened the tailored jackets, geometric handbags and angular art deco jewelry. Evening wear included long suits with a train, plus several gowns mixing metallic mesh with gold lace.

The Krizia collection opened on

a monochal note with models in long, hooded jersey dresses. After a while, the hoods came off to reveal a long, loose trumpet shape, barely skimming the body.

A super-achieving, sportive woman, Mandelli again delivered a forceful message, but her blockbuster of a silhouette came across too hard. The best moments of this collection were the knits — especially the simple angora two-pieces under shearing coats in many colors. Some were stamped with a reptile pattern, a theme that reappeared in wide reptile belts, cinching swirling dresses and coats.

The Intarsia animal sweaters — a perennial Krizia best-seller — glorified the panda bear. Outside of the black bolero suits, the evening, drowning in gold lace and laces, was best forgotten. Doučka Cismek, who is opening two Krizia boutiques in Paris next fall, loved the daytime, but called the evening gold rush "Milan's follies."

Byblos, which is one of several Girombelli lines, was fresh and gay and even cute. It started with a denim-clad bride and matching bridegroom. The Bavarian slopes came next, with models in black ski pants and white, cuddly boleros embroidered with Bavarian flowers. The other theme was plaids and tartans and very youthful. This successful line also included short skirts over petticoats — a faint echo of Christian Lacroix.

The Emporio Armani line, shown early this weekend, is Giorgio Armani's financial success story. In 1986, its volume was 50 billion lire (\$38.3 million). And that's without the jeans line which accounted for 60 billion lire. The men's and women's wear totaled 45 billion lire. Armani has done a remarkable job of producing a less expensive line without cheapening his image. He plans to open several Emporio stores throughout Europe — including Zurich in April and Barcelona, Madrid in the fall followed by Paris and London.

The Emporio show opened with the jeans line that was the most fun. Against a Santa Fe background and to the sound of "How the West Was Won," Armani showed cowboys and prairie girls in a sophisticated version of the American West. The Emporio line was more adult and slightly duller than in past seasons, less teenager and more college campus. Fabrics have been upgraded and shapes made more preppy.

"Even I could dress at Emporio's," Armani said.



Gigli's austere, slim silhouettes.

Jon Dorsey

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NYSE Most Actives table with columns for Vol., High, Low, Last, Chg.

Market Sales table with columns for NYSE A.M. volume, NYSE prev. close, etc.

NYSE Index table with columns for High, Low, Close, Chg.

Monday's NYSE Closing logo and text: Via The Associated Press

AMEX Diary table with columns for Close, Prev.

NASDAQ Index table with columns for Close, Chg., Prev., Week Ago, Year Ago

AMEX Most Actives table with columns for Vol., High, Low, Last, Chg.

Dow Jones Bond Averages table with columns for Bonds, Utilities, Industrials

NYSE Diary table with columns for Close, Prev.

Odd-Lot Trading in N.Y. table with columns for Buy, Sell, % of 1977

Dow Jones Averages table with columns for Index, Trans, Unch, New High, New Low

Standard & Poor's Index table with columns for High, Low, Close, Chg.

NASDAQ Diary table with columns for Close, Prev.

AMEX Stock Index table with columns for High, Low, Close, Chg.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Large table of stock prices with columns for 12 Month High, Low, Stock, Div., Yld., PE, 52-Week High, Low, Open, Close, Chg.

Dow Bows to Selling Programs

NEW YORK — Prices on the New York Stock Exchange closed sharply lower Monday in active trading, failing to rebound from futures-related sell programs that sent the Dow down more than 30 points in the session's first 15 minutes.

The Dow Jones industrial average ended 20.11 lower at 2,260.12. Declines outpaced advances by nearly a 2-to-1 ratio.

Volume amounted to about 165.43 million shares, down from 181.59 million Friday.

Table of stock prices (continued) with columns for 12 Month High, Low, Stock, Div., Yld., PE, 52-Week High, Low, Open, Close, Chg.

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Vertical sidebar on the right containing various advertisements and notices, including 'FROM STORE', 'After 2 Years Vienna Cafe', 'Current', 'Interest', 'Emergency Deposits', 'Money Rates', and 'Markets Closed'.

Handwritten Arabic text at the bottom center: هك زمان النحل



FROM STORING INFORMATION... NEW PRODUCT

INTERNATIONAL STOCK MARKETS

After 2 Years of Tumult, Vienna Catches Its Breath

By FERDINAND PROTZMAN International Herald Tribune VIENNA — If you are looking for a quiet place in Vienna, visit the bourse...

Trading centers on a handful of larger issues, which can cause problems for foreign investors.

Foreign investors really aren't an important factor right now, said Gerhard Grunz...

INSTITUTIONAL INVESTORS from abroad seem to have a particularly difficult time...

But the current inactivity doesn't herald a return to the days when the Vienna bourse was known mainly as a street car stop...

It closed for the first three days of 1986 to adopt a unit See VIENNA, Page 11

Dart Bids For Store Chain

\$1.6 Billion for Pathmark Parent

LANDOVER, Maryland — Dart Group Corp., the U.S. discount retailer, announced Monday it had offered to buy Supermarkets General Corp. for \$41.75 a share in cash.

Supermarkets General, based in Woodbridge, New Jersey, operates more than 180 stores, including the Pathmark supermarket-drugstore chain and other specialty retail and convenience food stores.

It had announced earlier Monday that an unsolicited party had made the offer for its 38.5 million shares outstanding.

In a letter to Supermarkets General dated Friday, Dart said that its offer was greater than an 85 percent premium over the price at which Supermarkets General's stock has been trading over the last three months.

Supermarkets General's share price rose \$6.875 to close at \$41.75 in trading Monday on the New York Stock Exchange.

Dart also said in the letter that it planned to keep the supermarket chain's headquarters in Woodbridge and intended to offer management the opportunity to participate in the ownership of a new supermarket entity "on the same basis as us."

Supermarkets General said it retained Shearson Lehman Brothers Inc. to advise its board of directors about the proposal.

Analysts said that Supermarkets General is facing problems because of its Purity Supreme and Rikels operations, which might make it difficult to thwart a bid.



American Can Peels Off Its Label

Name Change Meant Months of Angst and Tedium

By Lisa Bellin New York Times Service NEW YORK — On Friday morning, just after the stock market opened, American Can Co. unveiled its new name.

The brief statement gave no hint of the dozens of meetings, hundreds of man-hours, millions of dollars and months of angst that went into that name change.

It is the most sweeping of changes brought about by the most persnickiest attention to detail. At one point the debate even centered on whether to dot Primerica's "i."

"At the beginning we thought it would be easy, you just pick a name. We were wrong," said Brian Martin, spokesman for American Can.

Ever more companies are discovering just how complicated the name change process can be. Within the last five years, 12 of the 65 companies on the Dow Jones industrial list decided to be called something new.

Predictably, an industry has grown up to assist companies with those changes. Lippincott & Margulies, which created the name Primerica for American Can, is one of the oldest and largest of the "corporate identity" firms.

Lippincott will charge American Can \$200,000 for its services. "People think 'why so much?'" said the president of Lippincott, Clive Chajet. "After all, they named their pets, they named their children, what is so difficult about naming a company?"

But naming a child, Mr. Chajet and his associates point out, does not involve a legal search to determine if anyone else is using a similar name, a linguistic search to insure that the name is not an insult in another language, and an evaluation of logo styles and colors.

After paying for everything from new stationery to an advertising campaign, American Can will have spent several more million dollars to change its name. In part, the recent wave of name changes reflects the shifting dynamics of American business.

American Can changed its name because it had to. Last fall, the company sold its packaging arm, the part of the company that made cans. As part of the \$570 million agreement, the 86-year-old company sold the rights to the name American Can.

William S. Woodside, then chairman, and Gerald Tsai Jr., the vice chairman who became chairman after Mr. Woodside's retirement in January, had spent the previous five years transforming the Greenwich, Conn. financial services conglomerate, Financial Services and Specialty Retailing, into a \$149 million profit in 1985.

Through its subsidiaries, Primerica underwrites life and health insurance, manages investments and provides financial planning. See NAME, Page 11

U.K. Banks Cut Rates to 10.5%, Down 0.5 Point

By Warren Getler International Herald Tribune LONDON — Britain's leading commercial banks on Monday cut their base lending rates a half-point to 10.5 percent, the first reduction since last May.

The cut, by National Westminster Bank PLC, Barclays PLC, Lloyds Bank PLC and Midland Bank PLC, followed a midday signal by the Bank of England to financial markets suggesting that it would allow a 0.5-point cut.

That signal came in the form of a 0.5-point cut in short-term dealing rates. Until Monday's move, the Bank of England had set a penal rate of interest on some money market interventions, suggesting that it wanted to avoid rate cuts before the presentation of the fiscal 1988 budget on March 17.

But a recent surge in the pound to four-year highs against a basket of Western currencies appears to have forced the central bank to allow a reduction of borrowing costs from 11 percent. The rate was raised to 11 percent from 10 percent on Oct. 15.

An interest rate cut theoretically would brake the pound's rise by making investment in pound-denominated securities less attractive because of the lower return.

The government, which is expected to call elections this year, appears to have been concerned that the pound's rise threatens economic prospects here by making exports less competitive.

Nonetheless, British interest rates, after the half-point cut, are still significantly higher than rates of 4 percent in West Germany, 4 percent in Japan and 6 percent in the United States on three-month deposits.

The pound closed in London on Monday at \$1.5870, unchanged from Friday, and at 243.84 yen, marginally up from 243.525, but was up more than 2 pfennigs, to 2,944.5 Deutsche marks from 2,917.75 DM on Friday.

"This rate cut was 100 percent discounted by the financial markets," said Brendan Brown, chief international economist at County NatWest Capital Markets in London.

"The only thing the markets want to know now is when there will be another half- or full-point cut in base rates over the next few weeks."

He said that the sharp rise in the pound reflected a general view in notes could be swapped for equity under a plan unveiled last year.

Because some of the notes would be cashed for pesos, the proposal would help the Philippines preserve its foreign currency reserves.

But bankers could object. They generally prefer cash over promissory notes, especially if the notes do not pay regular interest, but only give a corresponding return in a lump-sum at maturity, as these reportedly will.

Another key uncertainty is the accounting consequences of accepting the notes. One senior banker said he believed U.S. accounting rules would prevent U.S. banks from accepting this option.

Before leaving for the New York talks, Mr. Ogegin said his alternative, but unspecified, payment plan would not present serious obstacles to banks in the opinion of accountants he'd consulted. He also said he had presented the proposal to American bank regulators, and that they had no objections.

Philippines, Banks to Explore Novel Debt Plan

By Nicholas D. Kristof New York Times Service MANILA — Negotiators representing the Philippines and its bank creditors are expected to consider a new approach to foreign debt payments that, if successful, could be applied in other countries.

If the approach does not raise the accounting problems that some bankers fear, then it would be a way of obscuring the interest rate on the Philippines' debt to \$9.3 billion of debt it is seeking to restructure. That could break an impasse by allowing both sides to claim victory in the protracted talks that began last autumn.

"It is a deliberate obfuscation of the pricing on these loans," said a source close to the talks, which began again last week in New York and were expected to explore this novel approach Monday. "No one will be able to tell how much ultimately was transferred to the banks each quarter for interest."

Obfuscation might be what both sides are looking for right now. The Philippine team, headed by Finance Minister Jaime V. Ogegin, appears to have backed itself into a corner by demanding that the interest rate be 0.625 percentage point above the London interbank offered rate for bank deposits, or Libor, a common benchmark.

On the other hand, the banks are wary of granting a spread of less than 1.25 percentage points, or perhaps 1 point, over Libor. They fear that being lenient with the Philippines will encourage other debtor countries to push harder for concessions.

Still, both sides want an agreement, preferably within a week, on the rescheduling on this part of the nation's \$27.8 billion of foreign debt to banks and governments.

According to a private memorandum submitted by the Philippines to the 12 banks on the negotiating committee, the new proposal would work like this: • The Philippines would pay the

base interest rate (usually Libor) in cash as before. • But at the beginning of each interest period, each creditor bank would choose whether it wanted the margin over Libor to be paid in cash or in Philippine Investment Notes, a new security to be issued by the government.

• If the bank chose cash, they would receive a lower rate, perhaps close to the 0.625 point margin the Philippines wants. • If the bank chose notes, they would mature in six years and bear a higher effective yield, perhaps close to the 1.25 percentage point spread that the banks want.

• The notes would be denominated in dollars, but could be cashed in before maturity for the full sum in Philippine pesos, at the prevailing exchange rate. Or the banks could sell them to other banks or investors who needed pesos. Fees normally charged by the Philippines for debt-to-equity conversions would be waived, so the

notes could be swapped for equity under a plan unveiled last year. Because some of the notes would be cashed for pesos, the proposal would help the Philippines preserve its foreign currency reserves. But bankers could object. They generally prefer cash over promissory notes, especially if the notes do not pay regular interest, but only give a corresponding return in a lump-sum at maturity, as these reportedly will. Another key uncertainty is the accounting consequences of accepting the notes. One senior banker said he believed U.S. accounting rules would prevent U.S. banks from accepting this option. Before leaving for the New York talks, Mr. Ogegin said his alternative, but unspecified, payment plan would not present serious obstacles to banks in the opinion of accountants he'd consulted. He also said he had presented the proposal to American bank regulators, and that they had no objections.

Japanese government officials and, unexpectedly, with bankers. This is the first time Mr. Funaro and Brazil's central bank president, Francisco Gros, have met commercial bank creditors since beginning their overseas trip more than a week ago in the United States. Brazilian Embassy officials said the two men believe that Japanese banks may be more open than their counterparts elsewhere to changes in the way Brazil's debt is handled. "The crisis is not a Brazilian problem, it is an international problem," Mr. Funaro reiterated when he met journalists. "It is not a financial problem, it is a political one."

Later, Mr. Funaro met Foreign Minister Tadashi Kuranari to explain Brazil's economic situation. A ministry official quoted Mr. Kuranari as saying Japan would provide Brazil with "as much assistance as possible." Japan accounts for about \$10 billion to \$12 billion of Brazil's \$109 billion in foreign debt. Mr. Funaro also said a plan by 28 Japanese banks to set up a new company to specialize in collecting payments on high-risk Third World debts made "no difference" to borrowers and would only strengthen the position of Japanese banks. Mr. Funaro also told journalists Brazil had made sacrifices in the past and it was now up to others to share the burden. Mr. Funaro will meet Tuesday with Hajime Tanuma, Minister of International Trade and Industry and commercial banker. (Reuters, AP, UPI)

Currency Rates

Table with columns for Country, Rate, and Date. Includes entries for Amsterdam, Frankfurt, London, Milan, New York, Paris, Tokyo, Zurich, and SDR.

Other Dollar Values

Table with columns for Country, Rate, and Date. Includes entries for Argentina, Australia, Austria, Canada, Chile, Colombia, Czech, Egypt, France, Germany, Greece, Hong Kong, India, Indonesia, Israel, Italy, Japan, Korea, Kuwait, Malaysia, Mexico, New Zealand, Norway, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, USSR, Venezuela, and West Germany.

Interest Rates

Table with columns for Term, Rate, and Date. Includes entries for Eurocurrency Deposits and Key Money Rates.

Asian Dollar Deposits

Table with columns for Term, Rate, and Date. Includes entries for 1 month, 3 months, 6 months, and 1 year.

U.S. Money Market Funds

Table with columns for Fund Name, Rate, and Date. Includes entries for Merrill Lynch Money Assets and T. Rowe Price Money Fund.

Gold

Table with columns for Location, Price, and Date. Includes entries for Hong Kong, Luxembourg, Paris, Zurich, and New York.

Markets Closed

Some markets were closed Monday in Australia and Switzerland for local holidays.

More business leaders fly ALG than any other... custom air service in Europe. Includes logo and contact information.

THE AUDEMARS PIGUET ROYAL OAK. NOTHING CAN EQUAL THE ORIGINAL. THE ORIGINAL. Includes image of a watch and contact information for Lind-Waldock.

Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table of stock prices for various companies including IBM, AT&T, and others.

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US Futures

Via The Associated Press

March 9

Table of US Futures prices for various commodities.

Metals

March 9

Table of Metals prices for various commodities.

Stock Indexes

March 9

Table of Stock Indexes for various markets.

Rubber Producers, Buyers Meet

In Hope of a New Pact on Prices

GENEVA — Representatives of 40 rubber-producing and consuming countries on Monday began a two-week meeting in what is widely considered a final effort to adopt a new agreement on price stability to replace the one that expires in October.

EC Court Rules Against State Aid

To West German Fiber Producer

BRUSSELS — The European Court of Justice declared West German state aid to a synthetic fiber producer illegal, the European Commission said Monday.

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Table of company results for various companies including IBM, AT&T, and others.

United States

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Table of company results for various companies including IBM, AT&T, and others.

London Metals

March 9

Table of London Metals prices for various commodities.

Source: Reuters and London Petroleum Exchange.

Large advertisement for Piedmont Airlines, featuring the slogan '725 Million for Caesars' and 'Vienna catches its breath'.

هكمان النحل

BUSINESS ROUNDUP

Piedmont Accepts USAir's New Bid

WASHINGTON — USAir Corp. will buy Piedmont Airlines Inc. for \$1.59 billion cash, the carrier announced Monday, effectively ending a bidding war between USAir and Norfolk Southern Corp.

Pirelli SA's Net Rises 39% to \$141 Million

BASEL, Switzerland — Societe Internationale Pirelli SA of Basel said Monday that provisional, aggregate net profit in 1986 rose 39 percent to \$141 million from \$101.5 million a year earlier.

GM Buyback Signals Resolve to Shed 'Fat' Image

By John Holusha New York Times Service



Roger B. Smith, GM's chairman, has taken the offensive.

DETROIT — Can Roger B. Smith, the besieged chairman of General Motors Corp., turn the company around? Shaken by GM's loss of market share and by a decline in earnings in recent quarters, Mr. Smith is fighting back.

20 percent of its stock, and that less could be actually purchased if the company suffers reverses.

But more is involved in Mr. Smith's strategy than cutting costs. He evidently has decided to follow the example of his chief competitors, which closed plants and sharply cut employment in the face of declining sales in the early 1980s.

\$725 Million Offer Made For Caesars Casino Group

NEW YORK — The New York financier Martin T. Sosnof, largest shareholder of Caesars World Inc., is to take over the hotel, casino and real estate company. The offer is valued at \$725.2 million.

VIENNA: Catches Its Breath

(Continued from first finance page) financing system, abandoning the practice of quoting share prices as the percentage increase from par value, or multiples of 100. This had meant that shares with nominal values of 100 Austrian schillings and 1,000 schillings both were quoted at 150 if they rose by 50 percent.

First Boston Leads Allegheny Buyout

PITTSBURGH — Allegheny International Inc., a manufacturer of industrial and consumer products, said Monday it had agreed to be purchased by an affiliate of First Boston Corp., the U.S. investment bank, in a leveraged buyout for about \$500 million.

Fujitsu Buying Control Of a GTE Phones Unit

SAN JOSE, California — Fujitsu America Inc., a unit of Japan's Fujitsu Ltd., will buy 80 percent of GTE Corp.'s business phone system operations, the companies said Monday. No price was disclosed.

Company Notes

British Caledonian Airways has filed an application with the British Civil Aviation Authority for a license to operate between San Diego's Lindbergh Airport and London's Gatwick Airport. It said it would extend its existing Los Angeles to London nonstop service to San Diego and would initially offer three round trips weekly.

NAME: After Months of Angst and Tedium, American Can Peels Off Its Label

(Continued from first finance page) name because other businesses are likely to be using them first. Coined words can also be tough to get. Recently, for example, a Pacific Northwest lumber company wanted to name itself XYLYX, derived from the root xyl, which means wood in Greek. But it turned out that three other companies were already using the name.

Control Data Corp. Has Agreed to Acquire Unisys Inc.'s 13 Percent Stake in Magnetic Peripherals Inc.

Control Data Corp. has agreed to acquire Unisys Inc.'s 13 percent stake in Magnetic Peripherals Inc., a supplier of computer disk drives. Unisys will become a customer of Control Data's Data Storage Products group, which manages Magnetic Peripherals. After conversion of the Unisys interest, Control Data will own 80 percent of Magnetic, Honeywell Inc. 14 percent, and Bull SA of France 6 percent.

Shenzhen Electronics Group of China Will Set Up a Joint Venture with Kenya, in Mombasa, to Assemble Color Televisions and Other Electronic Goods, the China Daily Said.

Shenzhen Electronics Group of China will set up a joint venture with Kenya, in Mombasa, to assemble color televisions and other electronic goods, the China Daily said. It said the venture, with an estimated annual production value of 50 million Kenyan shillings (\$3.13 million), will sell domestically and in eastern and southern Africa.

Mazda Motor Corp. Will Introduce a Car with Four-wheel Steering in Japan in Mid-1987 and Export it to the United States, Europe and Other Overseas Markets by the Year-end.

Mazda Motor Corp. will introduce a car with four-wheel steering in Japan in mid-1987 and export it to the United States, Europe and other overseas markets by the year-end. Nissan Motor Co. introduced a car with four-wheel steering for the domestic market in August 1985, but Mazda claims to be the first Japanese automaker with plans to export such a model.

Views in Recent Weeks, is that GM has been paying its dues in developing new models and new factories to make them, and that the benefits will become apparent toward the end of the decade.

"People will see our new products and they'll appreciate the quality, but they won't know what we've done on costs," he said. The company's refurbished plant in Linden, New Jersey, for example, GM is "making 3,000 more cars a month with 1,500 less people," he said.

Standard & Poor's Corp. Has Announced that the \$5 Billion Stock Buyback Plan Would Not Affect GM's Credit Ratings.

Standard & Poor's Corp. has announced that the \$5 billion stock buyback plan would not affect GM's credit ratings. It said that the company "is expected to generate sufficient cash flow over the next several years to fund the buyback program without weakening its financial position or ability to make necessary investments in its auto business."

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Chemical Bank Home Loans Special Terms for UK Mortgages

Chemical Bank Home Loans Special Terms for UK Mortgages. 100% mortgages for expatriates. Highly competitive rates. Phone Barrie Lewis-Ranwell on 01-380 5186.

Table with columns: FOREIGN & COLONIAL RESERVE ASSET FUND, A: US DOLLAR "CASH", B: MULTICURRENCY "CASH", C: DOLLAR BONDS, D: MULTICURRENCY BONDS, E: STERLING BONDS, F: DEUTSCHMARK BONDS, G: YEN BONDS, H: ECU BONDS, I: STERLING EQUITY, J: U.S. EQUITIES, K: JAPANESE EQUITIES, L: GLOBAL EQUITIES, M: STERLING "CASH", N: GOLD. Prices listed in dollars and pounds.

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Table showing subscription prices and savings by country. Columns: Country, Currency, 12 months (+2 months FREE), 6 months (+1 month FREE), 3 months (+2 weeks FREE), Subscription price per copy**, Newsstand price per copy, Your Savings per copy** Total. Countries include Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Rest of Europe, Middle East, Rest of Africa, Gulf States, Asia.

NIKKO GROWTH PACKAGE FUND, SICAV. Registered office: Luxembourg, 16 boulevard Royal. R.C. Luxembourg B 21463. Notice is hereby given that the ANNUAL GENERAL MEETING of shareholders of Nikko Growth Package Fund Sicav will be held on 30th March 1987 at 11:00 a.m. at the registered office of the company with the following agenda: AGENDA 1. Submission of the reports of the board of directors... 7. Miscellaneous.

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OMV owns Austria's only major crude oil refinery, which tourists view at close range while driving in from Vienna's Schwechat Airport.

OMV owns Austria's only major crude oil refinery, which tourists view at close range while driving in from Vienna's Schwechat Airport. The company also produces crude oil and natural gas from fields in Northern Lower Austria. In addition, it sells petroleum derivatives, builds oil and gas extraction facilities, and is active in planning and installing well pumps for producing and utilizing hot water and geothermal waters.

Its key role may be as a pipeline transfer point. OMV shifts natural gas from Eastern Europe, including the lucrative business from the Soviet Union's Siberian fields, into West European pipelines.

Its key role may be as a pipeline transfer point. OMV shifts natural gas from Eastern Europe, including the lucrative business from the Soviet Union's Siberian fields, into West European pipelines. Sales figures for 1986 are not available, but in 1985, OMV had sales of 68 billion schillings (\$5.26 billion). Profit figures are not released, although analysts said that the company is believed to have been solidly profitable.

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Mr. Tsai flipped through the pages, stopping now and then to grunt "this one," then left the room. Mr. Martin and Ms. Heisen took two hours to distill the list to 13 finalists: Amdex, American Enterprise, Ameristar, Amstar, Axam, Dynax, Equistar, Primerica, Roex, Shrex, Xaco, Xamex, Xamco, Xamix and Xelax. Mr. Woodside, a 30-year veteran of American Can, liked the name Primerica, which is supposed to be pronounced with the emphasis on the second syllable (pri-MER-ica). He had several private conversations with Mr. Tsai over the next few days. Finally, Mr. Martin called Mr. Chajet and said, "Secure the name Primerica."

Lippincott submitted the list to the firm of Thompson & Thompson for a preliminary legal search on trademarks.

Lippincott submitted the list to the firm of Thompson & Thompson for a preliminary legal search on trademarks. It revealed a problem with only one of the candidates: Primerica. A real estate company had a trademark application pending for the name. Lippincott persuaded the company to give up that claim for a fee that Mr. Chajet would not disclose. A flurry of phone calls and meetings narrowed the list to three: Amcan, Primerica and Xelax. Mr. Tsai's favorite appeared to be Xelax in the spirit of Nyxex and Xerox. Mr. Chajet's favorite was Primerica.

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CURRENCY MARKETS

Dollar Rises Further on Jobless Rate

NEW YORK — The dollar advanced sharply Monday in New York on momentum from last week's strong U.S. employment figures and statements from leading central bankers that they would like to see lower European interest rates.

London Dollar Rates table with columns for currency, rate, and change.

The market also took comfort from a statement by central bank presidents of leading industrialized countries that they were "quite satisfied" with the dollar's performance since an agreement by six nations last month in Paris to stabilize the currency at current levels.

CHRYSLER: Plan to Buy AMC TRADE: U.S., Japan Move Toward a Confrontation

(Continued from Page 1) Chrysler officials estimated would be valued at \$522 million. Chrysler's stock closed Monday on the New York Stock Exchange at \$53.875, up \$1.50 from Friday's close. AMC rose 75 cents to \$4.25.

ability of selling its cars in the world's largest auto market. "This agreement is a major step in the redevelopment of Renault and also holds out the prospect of cooperating with a major automobile manufacturer," Raymond Lévy, the chairman of Renault, said.

(Continued from Page 1) ment opportunities would shrink by 600,000 jobs by the year 2000, leading to an acute unemployment crisis.

that will serve as the site of a huge airport to serve the Osaka region. But American and other foreign companies are effectively barred from any of the major construction work.

loss of our competitive edge," said Steven R. Saunders, a former assistant U.S. trade representative who is now a trade consultant with some Japanese clients. "We don't understand that our demands are perceived, from the Japanese point of view, as a kind of extortion."

THE EUROMARKETS

Prices Lower as New-Issue Trading Cools

LONDON — Eurobonds closed slightly lower in quiet trading Monday as the markets attempted to digest the recent heavy supply of new issues, dealers said.

cooled the markets off by issuing a £1 billion of government bonds, emphatically telling dealers that no further rate cuts were desired now.

The letter of intent calls for Chrysler and Renault to examine future joint product development in North America and worldwide. AMC already is building Chrysler rear-wheel-drive sedans at its Keosauqua, Wisconsin, assembly plant.

Industry observers in Europe said the agreement would allow Renault to end its financial risk in the United States, while still giving it the possibility of selling French-made cars in that market.

TOKYO — Three Japanese credit rating agencies are entering into fierce competition with Moody's Japan and Standard & Poor's Asia Inc., the local branches of the two U.S. giants, as the Japanese credit market opens up to foreigners.

Standard & Poor's recent triple-A rating of Chiyoda Fire & Marine Insurance Co. claims-paying ability caused the Japanese agencies, which had rated Chiyoda's convertible bond only A-plus, to come under some criticism for being too conservative, Japanese rating agency managers said.

Japan Rating Agencies Battle Moody's, S&P's. Life Insurance Co. and Dai-ichi Mutual Life Insurance Co. by Standard & Poor's, the first ratings given to Japanese life insurers.

Monday's OTC Prices table with columns for stock name, price, and change. Includes sub-sections A through Z.

SPORTS

Indiana, Georgetown, UNLV, No. Carolina Top NCAA Field

The Associated Press KANSAS CITY, Missouri—Indiana, North Carolina, Georgetown and top-ranked Nevada-Las Vegas on Sunday made the top four seeds in a 64-team national collegiate basketball tournament...

COLLEGE BASKETBALL

Mexico and Howard, and Cleveland winners St. Louis and Cleveland State (the latter a surprise of last year's tournament).

The three 500 teams in the field — Idaho State, Fairfield and Penn — are fighting history as well as good teams.

Schultz predicted a wide-open tournament. "We'll have to see how the games play themselves out, but because of the three-point play and the 45-second clock we have more parity than we've ever had."

Each Final Four team will receive just over \$1 million, according to NCAA projection. The minimum payout will be \$200,000 for the 32 first-round losers.

North Carolina was seeded first in the East, despite losing its conference tournament to North Carolina State. Syracuse, which lost the Big East final to Georgetown, was seeded second and TCU fourth.

Georgetown got the No. 1 seed in the Southeast with SEC champion Alabama ranked second, Illinois third and ACC regular-season runner-up Clemson fourth.

In addition to Syracuse, four other teams will have friendly crowds for early games, DePaul, Alabama-Birmingham and Arizona will play on their home court in the first and second rounds.

First-round competition will begin Thursday (see Scoreboard for dates, sites and pairings).

Dick Schultz, the athletic director at Virginia and chairman of the selection committee, defended the decision of the Metro Conference on the basis of its decision to let Memphis State play in the conference tournament.

Alabama's Wimpy Sanderson was one happy coach after the Crimson Tide won the Southeastern Conference crown.

3600,000 and losers in the regional finals about \$800,000.

Georgetown 69, Syracuse 59: In New York, Georgetown beat Syracuse on Sunday for the third straight time this season to win its fifth Big East crown.

The winners' Reggie Williams scored 25 points (15 of them on 3-point baskets). His four 3-pointers and 14 points rallied the Hoyas to a 39-32 halftime edge after Syracuse hit nine of its first 10 shots and took a 24-15 lead.

North Carolina State 68, North Carolina 67: In Landover, Maryland, Villi Del Negro made two free throws with 14 seconds left to give the Wolfpack their first Atlantic Coast Conference title since 1983.

North Carolina, previously unbeaten against conference opposition this season, was a prohibitive favorite entering the final, having defeated North Carolina State twice by a combined total of 35 points.

Memphis State 75, Louisville 52: In Louisville, Kentucky, Memphis State forced 24 turnovers in winning the Metro Athletic crown. Memphis State took a 33-21 halftime lead, and held Louisville center Pervis Ellison without a point, a shot from the field or a rebound in the second half.

Alabama 69, Louisiana State 62: In Atlanta, Derrick McKay scored five of his 15 in a 2½-minute span late in the second half as Alabama took the Southeastern Conference title. LSU, which got 26 points from Nikita Wilson, kept it close until Coner's spurt gave the Crimson Tide a 56-49 lead with 5:38 to play.

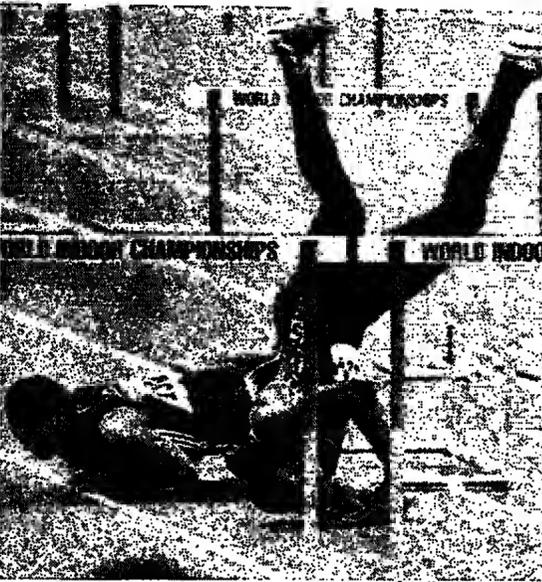
The Bruins extended a 38-32 halftime lead to 57-42 with 12:34 remaining; Washington got no closer than seven the rest of the way.

Missouri 67, Kansas 65: In Kansas City, Missouri, freshman Lee Coward hit a jump shot from the top of the key with four seconds left to give Missouri the Big Eight title.

With the score tied at 65, Missouri's Mike Sandobas missed a foul shot, but teammate Lynn Hardy picked up the loose ball and passed to Coward for the game-winner. Derrick Chevieux led the winners with 27 points.

Texas A&M 71, Baylor 46: In Dallas, Texas A&M, seeded eighth, equaled the biggest rout in the 12-year history of the Southwest Conference tournament and deprived Baylor of its first trip to the NAAs since 1950.

The Aggies, who had lost twice to Baylor during the regular season, had four players in double figures, led by guards Darryl McDonald with 17 points and Todd Holloway with 16.



Ups and Downs at World Indoor Track Meet

In Sunday's final day of competition at the world indoor track and field championships in Indianapolis, Bulgarian Stefka Kostadinova (above right) improved her world record in the high jump, and American Greg Foster (landing hard, above left) and Mark McKoy of Canada made a shambles of the men's 60-meter hurdles final.

SCOREBOARD

NCAA Tournament Schedule

Table with columns for Round (First Round, Second Round, Semifinals, Finals), Date, and Matchup details for various college basketball teams.

Basketball

Table with columns for Round (Semifinals, Finals), Date, and Matchup details for professional basketball teams.

Hockey

Table with columns for Conference (WHL, AHL, IHL), Team, and Standings (W, L, T, Pts, GF, GA).

NHL Standings

Table with columns for Conference (WHL, AHL, IHL), Team, and Standings (W, L, T, Pts, GF, GA).

World Cup Skiing

Table with columns for Event (Men's Super-Giant Slalom, etc.), Name, and Time.

U.S. College Results

Table with columns for Conference (Midwest, etc.), Team, and Score.

College Top-20 Results

Table with columns for Rank, Team, and Score.

NIT Tournament

Table with columns for Round (First Round, etc.), Date, and Matchup details.

NBA Standings

Table with columns for Conference (Eastern, Western), Team, and Standings (W, L, Pct, GB).

AWOL Clemens Facing Fine of \$1,000 Per Day

The Associated Press WINTER HAVEN, Florida (AP) — The Boston Red Sox announced Monday that they will fine AWOL pitcher Roger Clemens \$1,000 a day starting Wednesday unless he returns to camp.

Calcavecchia Takes Florida Golf by 2

CORAL SPRINGS, Florida (AP) — Mark Calcavecchia, a caddy in this event a year ago, moved past a faltering Bernhard Langer to score a three-stroke victory Sunday in the Coral Springs golf tournament.

Zurbriggen, Figini Win Cup Ski Races

ASPEN, Colorado (AP) — Pimmi Zurbriggen won a World Cup super-giant slalom race by nearly a second here Sunday. Zurbriggen, who already has captured the cup overall and downhill titles, took a commanding lead in the super-giant standings as well when Luxembourg's Marc Girardelli fell two gates from the finish.

SPORTS BRIEFS

Alabama's Wimpy Sanderson was one happy coach after the Crimson Tide won the Southeastern Conference crown. Dick Schultz, the athletic director at Virginia and chairman of the selection committee, defended the decision of the Metro Conference on the basis of its decision to let Memphis State play in the conference tournament.

Transition

BASEBALL CHICAGO—Stunned Davey Davidson, Ivan Calderon and John Campbell, outfielders and Fred Marcellino, infielder, to one-year contracts.

Tennis

AT Key Biscayne, Florida (AP) — The Associated Press Tennis Association announced Monday that it will fine AWOL pitcher Roger Clemens \$1,000 a day starting Wednesday unless he returns to camp.

Exhibition Baseball

SUNDAY'S RESULTS St. Louis 11, New York Mets 4; Philadelphia 11, Baltimore Orioles 6; Detroit 12, Boston Red Sox 6; Chicago White Sox 7, Pittsburgh Pirates 6; Texas & Kansas City 6; Los Angeles 2, Houston 1; Minnesota & Cincinnati 7; Montreal & Atlanta 1; Toronto 11, Philadelphia Phillies 6; Toronto 11, Boston Red Sox 6; Montreal & Atlanta 1; St. Diego 4, California 2; Oakland 8, Seattle 6.

